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# Latin America Report

No. 2407



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24 November 1981

## LATIN AMERICA REPORT

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## ON-SHORE OIL DRILLING TO BEGIN

FL091800 Bridgetown CANA in English 2251 GMT 7 Nov 81

[Text] Kingston, Jamaica, 7 Nov (CANA)--Jamaica began its on-shore search for oil today, sinking its first well at Hertford, a few miles in-land from the south-western coast.

Prime Minister Edward Seaga, who is also the mining and energy minister, visited the Hertford site today to initiate the drilling by the state-owned Petroleum Corporation of Jamaica (PCU).

This first well is to be sunk to about 10,000 feet and drilling is expected to continue for 60 days. At the completion of drilling at Hertford, the rig will be taken to Windsor in the north parish of St Ann and later to Ecclesdown in Portleland in the northeast.

If drilling of these first three wells proves encouraging, the program could be extended to a second phase with the putting down of more wells, oil officials here have said.

Seventy percent of the financing for the on-shore oil exploration program is coming from a 23.5 million dollar (U.S.) loan to the PCJ by the Inter-American Development Bank. The remainder is coming from the corporation's own resources.

The drilling was not scheduled to begin until next week, but PCJ sources said that greater speed in putting up the rig and other positive developments had brought the date forward.

Meantime, off-shore oil exploration on the Pedro Bank, about 50 miles to the south of Jamaica, is to begin later this month.

A consortium of the American firm, Union Texas, and the Italian State Company, AGIP, have rights to two of the five blocs into which the Pedro Bank has been divided and they are to sink their first well in the Arawak bloc.

These companies have a profit-sharing arrangement with the PCJ as well as the right for the corporation to become a partner in the enterprise if oil or gas is found.

CSO: 3020/1006

## BRIEFS

ENERGY COOPERATION AGREEMENT--Mexico and Nicaragua signed an important agreement on technical cooperation in the fields of geothermal and hydroelectric energy today. It was signed by Mexico's Federal Electricity Commission and the Nicaraguan Energy Institute. [Managua Radio Sandino in Spanish 0300 GMT 5 Nov 81 PA]

ELECTRICITY WITH COSTA RICA--Managua (ANN)--The Nicaraguan Government is building an electrical interconnection plant for tieing in with Costa Rica that will cost \$6.24 million. The purpose is to save foreign exchange used to purchase oil. The plant will be constructed next year and will provide annual savings of \$54 million in foreign exchange, Heberto Incer, assistant director of the Nicaraguan Energy Institute (INE) reported. The interconnection with Costa Rica will permit a decrease in the use of the country's thermal plants, which burn oil. With regard to the integration of Nicaraguan Petroleum (PETRONIC) with INE, Incer said it meant a qualitative step in the reorganization of the government during the present state of emergency. He explained that PETRONIC, an organization engaged in oil exploration and the acquisition of oil products from sources of supply, operates with its own funds, which come from the marketing of hydrocarbons among the refineries and oil companies of this country. PETRONIC started in November, 1979, and its commercial transactions are with Mexico and Venezuela, which supply 390,000 barrels of crude oil each month, some 4,680,000 barrels annually. For 1982, Venezuela and Mexico will supply PETRONIC with 420,000 barrels each month, over 5,000,000 per year, at a cost of \$256,000 million. [Text] [Managua BARRICADA in Spanish 2 Oct 81 p 4] 9015

CSO: 3010/160

## CHILEAN PAPER ACCUSES CUBA OF WORLDWIDE TERRORISM PLAN

San Jose LA REPUBLICA in Spanish 19 Sep 81 p 7

[Article: "Cuba and the Terrorist Campaign"]

[Text] The publication LAS ULTIMAS NOTICIAS of Santiago de Chile made in the past few days important denunciations regarding the form in which Cuba is developing a worldwide terrorist program, especially in Latin America. Its article entitled "Cuba and Terrorism" stated specifically:

"As a way of attacking the West without running the risk of an open declaration of war, the USSR has resorted to the creation of an army of clandestine mercenaries who practice international terrorism. For that purpose it has had the valuable help--for different reasons but identical ends--of Castro's Cuba on our continent as well as Colonel Qadhafi's Libya in Africa.

"In 1966 an international summit meeting was held in Havana sponsored by the Soviet Union to organize international terrorism under the control of the Soviet KGB [Committee of State Security]. The Latin American branch was designated by the acronym LASO [Latin American Solidarity Organization]. Years later, in 1974, the Junta for Revolutionary Coordination [JCR] was founded in Paris for terrorist activities in Latin America.

"At present that organization's general secretariat is located there. Its task consists principally in providing economic means, false documentation, plastic surgery, and other assistance to terrorist agents for their guerrilla activities.

"Besides the central schools operated in the Soviet Union such as the Komsomol School in Moscow, at Patrice Lumumba University, numerous guerrilla training centers exist in Syria, Iraq, Nicaragua, Bulgaria, Hungary, Algeria, Vietnam, Yemen, and some as important as the Wilhelm Pieck academy in Borgense, East Germany, or the Rostock school, also in the German Democratic Republic.

"In Cuba alone there are 10 guerrilla schools and camps where advanced courses in kidnapping tactics, the blowing up of bridges or strategic structures such as high-tension pylons or dams, the production of arms and explosives, the use of modern weapons such as missile-launchers, bazookas, and mortars, the seizure and use of radio and television stations and of power stations are given. It was determined that Cuba trained and armed hundreds of Colombian guerrillas for the purpose of organizing the M-19 Movement. At present military training is also being given to

2,000 Salvadoran guerrillas and there are plans, too, to train Salvadoran war pilots at Cuban and Nicaraguan camps.

"More than 1,000 guerrillas who are now fighting in Guatemala have received military training in Cuba and Nicaragua. In September 1980 the Iraqi Government sent via Havana \$500,000 to the United Revolutionary Directorate of El Salvador, the epitome of that country's guerrilla movement unified by Fidel Castro.

"A Cuban fishing fleet based at the Panamanian port of Vacamonte has been the pivot of the arms traffic for the Central American terrorists.

"At present, Cuba is pledged to arm and unify the guerrilla fighters of Honduras in secret and to mount a subversive guerrilla campaign in the southern hemisphere, especially in Chile. In both operations the Cubans have had a fairly difficult time. Recently, the review EL SOLDADO of Montevideo published a lengthy article on terrorism entitled "Recollections of a Tupamaro" detailing his endeavors with the terrorists of the MIR [Movement of the Revolutionary Left] in Chile during Salvador Allende's government before moving to Cuba where he remained for several years as an agent of Castroism. In his "Recollections" the Tupamaro disclosed that in Mexico City his chief was a secretary at the Cuban embassy who helped Uruguayans as well as Chileans, Argentines, and Colombians with the wherewithal of daily life and training, in collusion with the Mexican authorities. There is no doubt that the Castroite adventures abroad would not be feasible without Soviet support. It is estimated that during the current year the USSR is subsidizing the Cuban economy with \$8 million a day."

2662  
CSO: 3010/197

## BREAK-OFF OF RELATIONS BY JAMAICA WITH CUBA

## Cuba's Alarcon Comments

FL102018 Bridgetown CANA in English 1509 GMT 10 Nov 81

[Text] Georgetown, Guyana, 10 Nov (CANA)--Cuban Deputy Foreign Minister Ricardo Alarcon said yesterday that Cuba, as part and parcel of the Caribbean, was committed to building relations of mutual help with the rest of the region and that the recent break-off by Jamaica of its relations with Cuba would not affect the island's friendly ties with other Caribbean nations. The deputy foreign minister, accompanied by the head of the Caribbean section of the Cuban Foreign Affairs Ministry, Nelson Restano, was addressing a press conference during a 2-day visit to Guyana, the first leg of a tour that takes him today to Suriname, then on to Trinidad and Tobago, Barbados, Grenada and Saint Lucia.

Questions about the Jamaican Government charge that Cuba was harboring three wanted criminals, Deputy Minister Alarcon said that despite the matter being aired weeks before in the Jamaican parliament, it was only the day before Jamaica broke off relations, that the first diplomatic note on the matter was received by Cuba, in which the Seaga government demanded the return of three men, allegedly in Cuba under different names but offering no proof or clues that might help in finding them. "The note said they were in Cuba and included an ultimatum that they should be back in Jamaica in 24 hours," said Alarcon. "As far as we know, the men are not in Cuba and we have never given them any status there," he added.

[?With respect to the decision] taken in Dominica that students will not be allowed to take up scholarships in Cuba, Alarcon said: "I feel sorry for the Dominican youngsters who will not be able to further their studies in Cuba, in one of the areas we can cooperate with other Caribbean countries. But if the Dominica Government will not permit this, it is their decision.

The Cuban minister also reiterated that Cuba fully supported Guyana's right to territorial integrity [break in transmission; more possible]

## Jamaican Media on Alarcon

FL121315 Havana Domestic Television Service in Spanish 1235 GMT 12 Nov 81

[Text] The Jamaican press has highlighted the remarks made in Guyana by Ricardo Alarcon, Cuban vice minister for foreign affairs, who refuted the pretexts of the Kingston government regarding the breaking of relations with Cuba.

Jamaican radios and the Jamaican Broadcasting Corporation have disseminated Alarcon's remarks in which he states that Cuba will continue to maintain its relations of cooperation and mutual aid with the rest of the Caribbean nations.

The newspaper DAILY NEWS highlights the Cuban vice minister's statement and his warning regarding the U.S.' warmongering intentions in the Caribbean basin.

Alarcon has rejected the arguments of the government that is headed by Prime Minister Edward Seaga regarding the unilateral breaking off of relations. He stated that the decision was made at the instigation of Washington.

CSO: 3020/1006

## WASHINGTON PRESSING ON BEAGLE ISSUE

PY132252 Paris AFP in Spanish 1739 GMT 13 Nov 81

[Report by Michel Henault]

[Excerpts] Buenos Aires, 13 Nov (AFP)--Diplomatic circles today felt that the United States was exerting pressure on the Argentine Government to lift the blockade which threatens the papal mediation in the border conflict with Chile over the Beagle Channel in order to preserve Pope John Paul II's international prestige.

For over 11 months Buenos Aires has been implementing a method of postponements, consultations and requests for explanations in order to try and hinder the process.

In view of the upcoming first anniversary of the delivery of the pontifical document to Argentina and Chile, Washington, on its part, has evidently decided to interfere so that the Vatican's efforts will not fail and thus undoubtedly harm the pope's image.

The White House has launched a diplomatic offensive into which it is trying, according to religious sources, to incorporate other western powers such as Great Britain, the FRC and France. The ambassadors of these countries to the holy see learned for the first time last week about the situation through Cardinal Antonio Samore who is in charge of the Special Commission for the Beagle issue.

Taking advantage of the visit which Gen Leopoldo Galtieri, the Argentine regime's strong man, paid to Washington, U.S. officials voiced their desire to keep the southern cone free of conflicts.

At the same time they explained to Galtieri the common interest in preparing an Argentine contingent for Central America and the peace keeping force in the Sinai in exchange for the resumption of U.S. military, materiel and technical aid which was interrupted during Jimmy Carter's administration.

Simultaneously the U.S. ambassadors in Buenos Aires and Santiago met with the foreign ministers of the respective countries. Argentine Foreign Minister Oscar Camilion announced that a new step regarding the Beagle issue would be taken soon.

However, upon return from Washington General Galtieri stated regarding the Beagle issue that "the Pope is a mediator and not an arbiter."

In addition to supporting the pope, the U.S. intervention also takes place due to Washington's concern over the sizeable USSR economic presence in Argentina.

The USSR has become Argentina's main wheat and meat buyer (it has purchased goods for almost \$2 billion).

The USSR also sells Argentina generators for the important hydroelectric projects in that country--it has even been said that Argentina is illuminated by Soviet electricity--and provides heavy water for the Atucha nuclear plant.

CSO: 3010/305

## BRIEFS

ATHOS FAVA DEFENDS CUBAN REVOLUTION--There is no more important task for the democratic and anti-imperialist forces of Latin America than the defense of Cuba, whose integrity is truly and seriously threatened by the aggressive madness of U.S. imperialism. This was stated by Athos Fava, secretary general of the Argentine Communist Party. He added that it is not a question of defending the Cuban revolution as such, a banner that we Argentine communists will never haul down, but as an objective that involves all the planet's men and women in placing a barrier against the adventurism of the Reagan administration, which can lead the world to a nuclear holocaust. [Text] [FL111512 Havana Domestic Television Service in Spanish 1345 GMT 11 Nov 81]

BOLIVIA-PERU TRANSPORT AGREEMENTS--The meetings of the Bolivian-Peruvian Joint Commission for Transport ended on 6 November with the approval of conclusions included in decisions Nos 141, 56 and 56a, and on air transport. Regarding decision No 141, short, medium and long-term programs have been established, including a system which provides for Bolivian transport on the highway between the Port of Matarani and Arequipa, between Puno and Desaguadero. It also provides for Bolivian transit through the Port of Matarani and Quinta Libertad. The joint commission indicated that these projects need no studies or financing since their implementation will be institutional and will be in effect within a period of 1 year. [PY071227 La Paz Radio Illimani Network in Spanish 0100 GMT 7 Nov 81]

CHILEAN SUSPECTED OF ESPIONAGE--La Paz, 9 Nov (LATIN-REUTER)--Bolivian military authorities are investigating the activities of a Chilean citizen who has been arrested on charges of alleged espionage. Defense Minister Gen Armando Reyes Villa said the army is investigating this case. Reports from Chile said that Luis Alberto Munoz, a Chilean citizen, had been arrested by Bolivian authorities and accused of espionage. Diplomatic sources told this agency that Munoz was arrested in Oruro, 200 km south of La Paz, early in March. According to newspaper reports from Oruro, it was believed at first that Munoz was involved in leftist political activities, but that authorities later concluded he was carrying out some information-gathering mission classified as espionage. Those reports added that Munoz had admitted having sent three pieces of information to Santiago, Chile, which posed no risk for Bolivia's security. Munoz is now in La Paz being investigated by military authorities to find out whether he had been acting as a spy. The Chilean citizen had been running a farm near Oruro and was acquainted with important social circles in that city, according to recent reports by the newspaper LOS TIEMPOS. [Text] [PY100034 Buenos Aires LATIN in Spanish 2028 GMT 9 Nov 81]

COSTA RICA-NICARAGUA RELATIONS CORDIAL--The Costa Rican Government maintains cordial relations with the Nicaraguan Government and has not received any communication to the effect that the other Central American countries wish to form a bloc against Nicaragua, the deputy foreign minister, Dr Mario Fernandez Silva, asserted. The official was questioned in connection with the recent declarations of some Central American countries which are reportedly ready to break their ties with Nicaragua and to isolate that country. Dr Fernandez Silva stated that the Costa Rican and Nicaraguan nations who have a common past history will maintain cordial relations as they have done and that no one has communicated anything to them regarding such a break, for which reason the Costa Rican Government does not even have to consider such a possibility. [Text] [San Jose LA REPUBLICA in Spanish 16 Oct 81 p 3] 2662

CANADIAN LOAN GRANTED--Mr Bryan R. Dare, counsellor (development) of the Canadian International Development Agency (CIDA) stated yesterday that the CIDA has granted \$8.9 million for training people from the leeward and windward islands. He also announced that 90 percent of the training will take place in the Caribbean and 10 percent in Canada. [FL062110 Barbados ADVOCATE-NEWS in English 3 Nov 81 p 1]

CSO: 3020/1006

## ECONOMIC CRISIS JUST BEGINNING SAYS 'HERALD'

PY122050 Buenos Aires HERALD in English 12 Nov 81 p 10

[Editorial: "Flight From the Peso"]

[Text] Once upon a time official spokesmen proudly told us that they, unlike their counterparts in other less favoured countries, felt no need to choose between inflation and a recession: they would beat back inflation without creating conditions which would make a drop in production inevitable. But, as was pointed out by "orthodox" economists at the time, their tactics would fail and the country would end up with high inflation and a deep recession. And this, needless to say, is precisely what has happened. The battle against inflation seems to have been postponed yet again but, despite the regime's efforts to pump money into the economy, a recession has come which shows no signs of getting any better. On the contrary, bad as the present situation may be there is every reason to think that before many months are out it will be even worse. Far from coming to an end, the latest stage of the endless Argentine economic crisis may be only at its beginning.

This certainly seems to be the view of the people who have been changing every peso they could put their hands on into dollars or, indeed, anything else these last few weeks. They feel that anyone who puts his faith in the national currency is a fool and, if there are enough of them, their combined efforts will ensure that they are right. Their panic is not unreasonable. The persistent rumours that the government will soon collapse have contributed to their alarm, as have fears that because Economy Minister Lorenzo Sigaut has firmly insisted that no exchange controls are in the offing these will be sprung upon us any day now. They must also take into account the spectacular increase in the money supply in the last month or so and the regime's invention of a new handout--the famous "bono"--for unsuccessful businessmen, neither of which will do much to avert the Weimar-style hyperinflation which seems to be on its ways.

Against all these harbingers of new disasters to come about all the government can show is a moderate, by local standards, increase in the cost of living--as calculated by the authorities--during October. The behaviour of this indicator, however, probably tell us more about the reduced purchasing power of Argentines than about any lack of inflationary pressures. The government, in fact, has probably created a situation in which any improvement in real incomes will detonate an avalanche of delayed price increases that will immediately wipe out whatever is gained.

A country's inflation rate has more to do with the strength or otherwise of that country's government than with its economic arrangements: the weaker the government the higher the inflation rate because it is unable to make the difficult decisions needed to bring it down. Similarly, the astonishing reduction in the value of the peso this year, during which it has so far lost almost five-sixths of its exchange value and seems doomed to lose a good deal more before 1982 arrives, reflects the utter absence of confidence in the country's short-term future under the present regime rather than the influence of impersonal market forces. When measured against its local purchasing power the peso was considerably overvalued in January. Now, by the same criterion, it is ludicrously undervalued. Any benefits Argentines might have derived from this will, however, in all likelihood be consumed by the economic whirlpool into which the country is being sucked before they can be enjoyed.

CSO: 3020/22

## ARCHBISHOP CALLS FOR 'NEW CHANNELS OF PARTICIPATION'

PY162246 Buenos Aires HERALD in English 16 Nov 81 p 9

[Text] Santa Fe (NA)--Santa Fe archbishop, Monsignor Vicente Zazpe called yesterday for "a fresh start of (the country's) social endeavour through new channels of participation" in order to "prevent Argentina from falling back into "a democracy in form only" and which is jaded."

In a radio broadcast of his Sunday sermon, the first vice-president of the Argentine conference of bishops pointed out that "if what is really sought is to recreate the country, then the reimplementation of an open and pluralistic society is in order," adding that it is also necessary "to promote those institutions which will guarantee people their freedom."

"The only alternative feasible (to this aim)" he said, "is that the individual see open before him all channels (of participation) as well as the (proper) organizations" to ensure that he gets his share of active participation on all problems which concern him.

"The other alternative would be to turn Argentina into a mass of citizenry" as in the case of societies ruled by one man, he said, "or as in the case of societies born of collectivism, where a group or a party does the thinking of the community."

Zazpe called for a democratic government other than that in office in last century's Argentina, which he described as "aristocratic and restricted as from the elections." Modern times require, he said, an active share for the entire nation made feasible through the opening of new channels of participation. He nevertheless recognized "that parties and chambers are necessary" although he considered them "insufficient."

He advocated the creation of "other basic social institutions which could, in their representation of the different sectors, "totally modify the framework of inter-relations."

"Today's man is not resigned to being a passive subject; he is aware of what his rights and duties are and wishes to have them respected."

This attitude, the archbishop said, implies a form of participation which should be considered, and that is "the recognition of each person's value, listening to the problems which concern him, and to create for the use of the citizen organs for his expression and action."

"This is the only truly democratic way," he stressed, "since it is based on trusting that each man is capable of forming his own concepts and of assuming his share of the responsibility."

CSO: 3020/26

## BRIEFS

COURT BUILDING BOMBED--San Miguel de Tucuman, 12 Nov (NA)--A bomb that exploded in the basement of the Justice Palace in this city greatly alarmed the public, the employees, the lawyers and the officials who were in the building, but no casualties or damage were reported. The explosion took place at noon yesterday. Following the blast some 10 persons were called to make statements, among them Mario Torres, the secretary general of the Association of Judicial Employees of Tucuman, since it was presumed that the explosion might have been related to the judicial workers' continuing demands for salary raises. Last week the activities in the local courts and in the judicial center of Concepcion had to be called off since the employees went on strike and burned gammexane [foul smelling pesticide] tablets inside the buildings, which then had to be evacuated. In view of these events the police are keeping close surveillance inside and outside the building using uniformed personnel and about 100 plainclothesmen. Outside there are also agents from the antiriot division with dogs and fire engines. Supreme Court head Horacio Povina toured the building after the explosion and talked with several employees; he also ordered the reopening of the court's doors which had been closed after the explosion. [Text] [PY130031 Buenos Aires Noticias Argentinas in Spanish 1338 GMT 12 Nov 81]

NAVY APPOINTMENTS—Buenos Aires, 6 Nov (NA)—The Argentine Navy has announced the following appointments for 1982: Capt Jose Sarcona, commander of the A.R.A. 25 de Mayo aircraft carrier; Capt Hector Bonzo, commander of the A.R.A. general Belgrano cruiser; Capt Gustavo Grunschlager, commander of the Corvette division; Capt Amaury Ricardo, commander of the A.R.A. Libertad frigate; Capt Juan Calmon, commander of the 2nd destroyer division; Capt Guillermo Estrada, commander of the support and maintenance squadron; Capt Jose Ferrer, commander of the Antarctic naval group; Capt Julio Chaluleu, commander of the 1st destroyer division; Capt Eulogio Moya Latrubesse, commander of the submarine force; Capt Raul Rivero, commander of the aeronautics force No 2; Hector Martini, commander of the aeronautics force No 1; Capt Manuel Tome, commander of the marine infantry force No 1; Capt Juan Moeremans, commander of the amphibious maintenance force; and Capt Miguel Pita, commander of marine infantry brigade No 1. [PY102224 Buenos Aires Noticias Argentinas in Spanish 2130 GMT 6 Nov 81]

CSO: 3010/305

## GOLBERY ORGANIZES PDS FOR 1982, LOOKS FORWARD TO 1984

Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Oct 81 p 4

[Article by Ricardo Pedreira: "Golbery Organizes PDS for 1982 and Thinks of 1984"]

[Text] Brasilia--Every Tuesday and Friday, almost always in the afternoon, the small branch of the Sao Paulo City Bank in Brasilia ceases to be just another simple business address in the capital. It is on those two days that the former chief of the Civilian Household and now bank consultant, Gen Golbery do Couto e Silva, leaves his home in Luziania, Goias, and occupies an office on the second floor of the bank building, where he has contacts with politicians, legislators, businessmen, government officials and even military men.

Thursday, as he left the office, the former minister once more declared in ironic tones that he is no longer involved in politics. However, the virtual parade of personalities who seek him out every week is the most obvious proof that even out of the administration Gen Golbery do Couto e Silva continues to be the same organizer he was during the 6 years he occupied Planalto Palace. At this time the greatest concerns of the general are the electoral prospects of the PDS [Social Democratic Party] next year and his thoughts on the succession to President Joao Figueiredo.

#### Audiences

Two months after leaving the government, Gen Golbery do Couto e Silva repeats part of the routine of political contacts of the era when he worked in Planalto Palace in his new office on Tuesdays and Thursdays. He accepted the invitation of his friend Edmundo Safdie, president of the bank, to work as a consultant for the group, precisely so that he would not be isolated at Sítio de Amizade, 60 kilometers from Brasilia.

In the office of the Sao Paulo City Bank he continues to be involved in that which really interests him: politics.

To have an idea of the present activities of Gen Golbery do Couto e Silva, it is enough to list some of those who came to see him last week. On Tuesday the following were there: the president of EMBRATUR [Brazilian Tourism Company], Miguel Colasuono; businessman Joao Santos, father-in-law of the PP [Popular Party] leader

in the Chamber, Deputy Thales Ramalho, one of the channels of communication the former minister has with the opposition; the economic adviser to the National Security Council, Luiz Zottman, who worked with the general in the Geisel and Figueiredo administrations; the commander of the strategic Presidential Guard Battalion, Col Anisio Negrao, former deputy chief of the Military Household and very close to the chief of the Military Household, Gen Danilo Venturini.

Salesmen of the Sequoia Furniture Store next to the bank swear that General Venturini himself, as well as Planalto spokesman Carlos Atila, frequently visit the office of the former minister, which is somewhat improbable. Out of favor with the chief of the SNI [National Intelligence Service], Gen Octavio Aguiar de Medeiros, Gen Golbery do Couto e Silva is now the type of person who can put anyone who goes to seek him out in a bad light at Planalto. Even so, he is besieged by people linked to the government.

Thursday, for example, the former minister had a day almost entirely devoted to PDS legislators, as in the days when he was the all-powerful chief of the Civilian Household. With him were the president of the Senate, Jarbas Passarhino; the deputy leader of the PDS in the Senate, Jose Lines (CE); Senator Benedito Canelas (MS), Deputy Francisco Benjamin (BA) and Federal Supreme Court Minister and former Attorney General of the Republic, Firmino Ferreira Paz, an old friend of the general.

#### The Routine

For these political contacts, the former minister instituted a system he has been using for nearly a month, after a brief rest period at his Sítio da Amizade. The idea of the office at the São Paulo City Bank sought to preserve his life at his home. There during the week the general practically receives no outsiders. On Saturdays he meets with a select group of friends for what one of them, the president of SERPRO [Federal Data Processing Service], Jose Dion de Mello, has already described as "literary parties."

Thus, every Tuesday and Thursday the general grants audiences at the bank. His initial idea was to work only part of the afternoon but recently, as happened last week, there were so many requests for audiences that he has come to the bank at 1000 and left around 1900. When that happens, the former minister had lunch at the office, a large room soberly decorated and with a sofa and easy chairs covered with green plastic.

The habit of lunching while at work comes from the era at the Civilian Household, when General Golbery arrived at Planalto around 0700 and never left before 2000. As at Planalto, the general's lunch is frugal: lean meat and vegetables. Now the food is prepared at one of the two restaurants near the bank, the Cogumello's and La Romanina. However, on the second floor of the bank, next to the former minister's office, is being installed a small kitchen for taking care of eventualities, such as the one that took place last Tuesday when the president of the bank, Edmundo Safdie was in Brasília and had lunch with the former minister.

For one who so deeply dominated the life of the country for 7 years, Gen Golbery do Couto e Silva is not a man who is particularly concerned with the possibility of being the victim of some type of violence. He always arrives at the bank in a dark blue "Landau" with Sao Paulo plates and without any security agent. He comes seated on the front seat at the side of the driver, Pedro, who carries a revolver in case he has to defend his boss.

At the bank there are only the usual private guards hired by all banks. During the 40 minutes normally spent between Sitio de Amizade and the Sao Paulo City Bank branch--CLS 302, Block D, numbers 18 to 24--the general does not read newspapers or books, something which could cause a new and disastrous detachment of the retina--he is already blind in the left eye. He prefers to make small talk with the driver and to listen to soft music from his favorite radio station, "Brasilia Super Radio FM."

Upon arrival at the bank, a small building in which a medical equipment store, a furniture store and a restaurant are also located, the former minister takes the stairs located to the left of the entry which lead to the second floor. He quickly greets officials of the bank with whom he has no ties. He is directly linked to the president's office and the officials of the Brasilia branch have instructions not to give out information on the type of work the general does on the second floor of the building.

#### Succession

On the second floor, only one person works with the former minister: his secretary Lurdinha. However, she is not the same Lurdinha who worked for him in the Civilian Household. That one remains over there with Professor Leitao de Abreu. This one is another Lurdinha, as efficient and vigilant as the first, most anxious to prevent access to the general by the press. Last Thursday the two Lurdinhas even met when she of Planalto Palace went to visit her former boss.

Whcever seeks an interview with the former minister is told by the Lurdinha of the bank that he is very busy with his tasks as consultant to the presidency of the group and that he is no longer involved in politics. However, the ones who talk with Gen Golbery do Couto e Silva themselves say that while he may indeed perform his new tasks, his main concern continues to be the politics of the country, particularly next year's elections, which the former minister considers important for the democratization process and the succession to President Figueiredo.

"He is more and more enlightened and interested in things about the country. He now appears more willing to proceed with his analyses, since he is now free of the weight of the official bureaucracy he commanded," said EMBRATUR President Miguel Colasuaono last Tuesday. He, as well as other visitors of the general, have left the new office of the former minister impressed with his good disposition. All say that they come to see Gen Golbery do Couto e Silva only on courtesy visits. However, they conclude by agreeing that politics, not small talk, is the constant subject of the meetings. Deputy Francisco Benjamin said on Thursday the general is particularly satisfied with the way the substitution of President Figueiredo took place after his heart attack and by the way the president is recovering. The president of the Senate, Jarbas Passarinho, asserted that he talked with the former minister only about obstructions to the work of the chamber.

"He asked me several questions about the status of the PDS in the states. He seems optimistic about the work of the party," said Senator Benedito Canellas, very close to the private secretary to the president, Heitor Ferreira, disciple of Gen Golbery do Couto e Silva and at this time hidden and silent at Planalto Palace. Others who met with the former minister prefer not to reveal the subject of their talks. Senator Jose Lins, left the bank saying that he had been there "only to discount a check."

No one confirms, but no one denies that in the repeated talks in his office and on his recent trips in the Rio-Sao Paulo regions, the main objective of the movements by the former minister is to bring influence to bear in the succession to President Figueiredo. His differences with one of the strongest candidates to the position, Gen Octavio Aguiar de Medeiros, is no longer a secret and the former chief of the Civilian Household is promoting the name of the Itaipu Binational President, General Costa Cavalcanti. In that respect, the office in the Sao Paulo City Bank would be functioning today as the office of the Dow Chemical did in Rio de Janeiro in the times of the Costa e Silva Administration. It was there that Gen Golbery do Couto e Silva worked when he promoted the candidacy of President Ernesto Geisel which took him back to government.

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CSO: 3001/12

## GALLUP POLL REVEALS RISING APPROVAL OF GOVERNMENT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Oct 81 p 2

[Text] The rate of approval of the way the government is operating is 40 percent and the rate of disapproval is 53 percent, according to a survey made in September by the Gallup Institute with a sampling of 2,800 interviews. Compared with the results obtained in June--39 percent approval and 55 percent disapproval--the more recent figures show that the trend is that more people support the government.

After having reached the highest rate of approval in May 1979--the total of those who answered "very well" and "well" on the work of President Figueiredo--it fell to 31 percent in November last year. The nonapproval rate--the sum of those who answered "fairly well," "poorly" and "very poorly"--at that time was 61 percent.

## The Survey

"How would you describe the way in which President Figueiredo is governing the country: Very well, well, poorly or very poorly?" is the question the Gallup Institute has been asking since May 1979 in its surveys, obtaining the following results:

	1979			1980				1981		
	May %	Aug %	Oct %	Feb %	Apr %	Aug %	Nov %	Feb %	Jun %	Sep %
Very well	12	18	18	10	8	6	6	8	9	8
Well	35	38	39	27	31	27	25	28	30	32
Fairly well	32	29	29	30	36	34	35	33	37	35
Poorly	5	6	5	13	10	12	14	12	9	10
Very Poorly	2	4	2	9	6	13	12	12	9	7
No opinion	14	5	7	11	9	8	8	7	6	8
Totals	100	100	100	100	100	100	100	100	100	100
Number of Interviews	2861	3172	3302	3073	2890	2745	2396	2458	2142	2830

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## GALVEAS COMMENTS ON WAGE LAW, SAVINGS RATE, INFLATION

## Wage Law Revision Sought

Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Oct 81 p 9

[Text] Porto Alegre--Finance Minister Ernane Galveas admitted here yesterday that wage policy will be revised, especially regarding the 10 percent additional adjustment above inflation and the productivity rate.

"We are moving in the direction of a change in wage policy, but it will depend heavily upon the initiatives of business groups, especially the National Confederation of Industries."

In regard to the 6-month adjustment interval, the finance minister said there will be no change, because it is "an urgent necessity" of wage-earners.

"If we did not believe the government would accept changes in the wage law, we would not have held this meeting," asserted FIESP [Sao Paulo State Federation of Industries] President Luis Eulalio Bueno Vidigal, in commenting on the political risk to the government of possible changes in wage policy.

Luis Eulalio, who was meeting with 19 other presidents of federations of industry at the CNI (National Confederation of Industries) headquarters, admitted that the current wage law is not responsible for the high rate of inflation, but several structural flaws in the text of the existing law are pointed out in the FIESP document.

"There are arithmetical errors. Just for example, if there were no inflation, there would be no redistribution of income, because 10 percent of zero is zero. And this is not the spirit of the law, whose purpose is to redistribute income, regardless of inflation."

Although the FIESP study makes no conclusive proposal, Luis Eulalio said that productivity must be negotiated differently than it has been, "especially in cases where there has not been an agreement, as the courts have been awarding productivity increases entirely at random, without regard to the region, product or sector under consideration."

The FIESP president also said he favors free negotiation but did not go into detail about the ideal formula for wage policy. He added that he agrees with having

frequent adjustments, "but whether it should be semiannually or every 4 months is a matter to be debated."

He then denounced interest rates, upon being asked whether wage policy is inflationary: "If interest rates would come down, maybe inflation would fall more rapidly than it would by changing wage policy." According to him, there are several components that influence inflation and wage policy is one of these. "But it alone is not responsible for the level of inflation we have today; that is obvious."

"No sooner was the wage law passed than the government wanted to change it. Business didn't want to. Now it is business that wants changes."

"I wouldn't say that everyone was unanimous in not wanting to change the law. But now the Brazilian economy is different; the timing is different. The economy is dynamic, and to change one's position is absolutely natural. If we acknowledge that there are defects in the existing law, they should be discussed. To deny that there are defects in order not to change one's position would be utter foolishness."

Albano Franco, president of the National Confederation of Industries, predicted greater mobilization of Brazilian businessmen against the wage law, should the nation's economic situation get worse. Meanwhile, he admitted, the situation allows industry to consider the matter "without undue haste," although he did not care to say how much worse conditions would have to get to mobilize employers.

The CNI president's comments reflected the conclusions of yesterday's meeting at the entity's headquarters, attended by 20 federation of industry presidents--Brasilia and Rio Grande do Sul were not represented--to discuss wage policy. It was decided to appoint a commission consisting of seven federations to make an analysis of the subject and submit it on 23 November to the confederation's Council of Representatives.

#### Presentation

After the CNI council's analysis, a document covering the subject will be drawn up and submitted to the president of the republic and party leaders for "ample discussion," Arthur Donato, FIRJAN [Rio de Janeiro Federation of Industries] president, announced. The commission's study will be based upon replies to questionnaires distributed to the federations by the CNI and on proposals sent to the entity. The commission will be formed by Rio de Janeiro, Sao Paulo, Rio Grande do Sul, Pernambuco, Ceara, Amazonas and Minas Gerais--eight from federations and some others from business firms.

According to Albano Franco, the confederation agreed to study wage policy, although its purpose is not "to promote major changes in the law." The CNI president further admitted that, because it is a law passed by Congress, its alteration would be "a political decision."

"We did not want to make a hasty decision, which shows our earnestness regarding the subject. It also shows that wage policy is not all that heavy a burden; we felt free to analyze it calmly. But if the situation gets worse the approach could change."

## Commission

The work of the commission appointed by the CNI to study changes in wage policy will be centered on establishing a point below which the adjustment will be greater than the INPC rate of inflation, to preserve the concept of income distribution. Above that limit adjustments would result from free negotiation, according to FIRJAN President Arthur Joao Donato.

The commission is to decide how many should be benefited by adjustments exceeding the INPC inflation rate, as this is the point of disagreement among the federations. FIRJAN feels the limit should be three times the minimum wage, while other entities propose "higher limits." According to Arthur Joao Donato, "opinions vary as to the numbers, but the concept is the same.

"The law must be adapted to Brazilian reality. The shape of the pyramid must be determined by free negotiation. If the economy is rising, the pyramid could tend to rise, because employees could demand higher wages. If the economy is falling, the pyramid tends to fall, because the major concern will be to keep one's job. Under existing law, the employee gains only if there is inflation. The major concern of the businessmen who came to this meeting was not their own economic situation but labor turnover and unemployment."

Businessman Joao Fortes suggested replacing the productivity coefficient, currently negotiated between employer and employees, by a fixed coefficient based upon business profits. In addition, he proposed that for 10 to 30 times the minimum wage the adjustment should be 80 percent of the INPC, with free negotiation of salaries more than 30 times the minimum wage.

"The law is good. It came at the right time and filled a real need," asserted Fortes. He favors an adjustment of 110 percent of the INPC up to three times the minimum wage, but believes the restraint placed upon high salaries is exaggerated. He also said he is opposed to limits on tenure: "Three or four months' tenure could be given the employee who has been on the payroll for 1 year."

## Domestic Savings, Inflation Rate

Rio de Janeiro O GLOBO in Portuguese 28 Oct 81 p 17

[Text] Porto Alegre--Finance Minister Ernane Galveas said yesterday, in opening the Fourth National Congress of Stockbrokers Associations, that "from now on every national effort must be guided toward raising levels of domestic savings in order to provide a suitable rate of investment without aggravating dependence upon foreign borrowing.

"Resorting to foreign loans to avoid the ill effects of the crisis was employed to the extent that the balance of payments permitted. Today, the declining trend of the share of foreign savings in our national income is an unavoidable fact," he pointed out.

#### Touchstone

Galveas commented that "the capital market is the touchstone through which is developed the mechanism of financial savings formation and its guidance in the direction of productive investments.

"Improvement and evolution of the capitalist experience," the finance minister added, "are undoubtedly moving in the direction of more participation by the general public in the capital of large companies. The ideal of this course could be reached when workers may supplement wages from their work with dividends from their investments, made as a result of their savings, made feasible only through the capital market."

In closing, Ernane Galveas told those at the congress:

"That may, indeed, also be the Brazilian experience. It will depend upon the enthusiasm and strength with which we are able to build our convictions and our belief in the ideals of free initiative, social responsibility of business and predominance of the market."

#### Crisis

The finance minister recalled the crisis of liquidity and confidence experienced by brokers when some "less prudent and less scrupulous in their operations shook the market with the forced closing of their activities, requiring vigorous action by government authorities to rehabilitate the market." He acknowledged that this stage was "overcome and left behind in the process of consolidating institutions." The domestic financial market on that occasion showed it had reached "a sufficient degree of maturity to absorb these difficulties and mishaps with ease and gain the trust of the general public."

#### Minister Predicts Inflation Rate of 4.1 or 4.2 Percent

Canela, Rio Grande do Sul--October inflation will be 4.1 or 4.2 percent (the lowest monthly rate) and for the entire year will be over 95 percent, Finance Minister Ernane Galveas announced yesterday before the opening of the Fourth National Congress of Stockbrokers.

With this sharp drop in inflation, the minister said, economic policy for next year will not be changed at all, even though it is an election year.

"The decline of inflation," said Galveas, "is real and this proves the soundness of the economic policy followed. If we are able to reduce inflation, monetary correction and the National Consumer Price Index (INPS) will also diminish. There is no reason to loosen economic policy."

#### Deduction of Interest

Beginning next year, the finance minister announced, the ceiling for deducting interest on the income-tax return for beneficiaries of the National Housing System will increase from 30,000 cruzeiros to 100,000 cruzeiros.

In response to the major complaint of participants at the Canela congress, Ernane Galveas revealed that the government does not intend to reduce any tax currently paid by private business.

"Statistically," the finance minister explained, "we can prove that taxes on business are not really so burdensome. That is why the government is not planning, in the short run, to reduce these taxes."

Galveas also denied that the government is thinking of taxing capital gains and doing away with the 157 Fund [mutual funds eligible for income-tax credits]--rumors that circulated on the stock exchanges yesterday and caused prices of leading issues to fall.

He does not favor the Brazilian Exporters Association idea of business adopting an "export effort" and reaching \$30 billion in foreign sales next year.

"I would be content with a figure of \$28 billion; if we surpass that, so much the better. If we are able to export \$28 billion and increase domestic savings, channelling resources into the productive system, we will have overcome the most difficult moment."

Regarding imports for 1982, the finance minister expects an increase of 5 to 10 percent, stressing that "this will depend upon the price of oil and adjustment of economic activity."

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## LOWER SEPTEMBER UNEMPLOYMENT RECORDED IN SIX MAJOR CITIES

Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Oct 81 p 9

[Text] Sao Paulo--For the first month this year, unemployment rates fell in September in the six metropolitan regions (Rio de Janeiro, Sao Paulo, Belo Horizonte, Porto Alegre, Salvador and Recife) surveyed by the Brazilian Institute of Geography and Statistics [IBGE]. The average rate was 7.73 percent, compared with 8.37 percent in August.

Jesse Montello, IBGE president, said this was "good news" and predicted that the INPC [National Consumer Price Index] will increase about 9.5 percent this year: "This is very good, because the INPC will then have only two digits instead of three." He also said the INPC for December would be between 3.9 and 4.0 percent [as published; 3.9 and 4.0 percent?], as the estimate for wage increases this month is 4.3 percent.

#### Data

IBGE data reported yesterday by Jesse Montello show the following unemployment rates for September: Rio de Janeiro, 8.25 percent compared with 8.88 percent in August; Sao Paulo, 7.28 percent compared with 7.86 percent; Belo Horizonte, 8.22 percent compared with 9.03 percent; Porto Alegre, 5.89 percent compared with 6.48 percent; Salvador, 8.39 percent compared with 9.24 percent; and Recife, 8.96 percent compared with 9.72 percent.

After explaining that the IBGE data differ from those of the FIESP [Sao Paulo State Federation of Industries] "because they are collected from households rather than from business firms," Jesse Montello said he does not think the October unemployment rate will be higher than that of September "because economic conditions are improving. That is a pattern: in the second half of each year economic conditions generally get better."

The IBGE president also revealed yesterday the results of a survey made among the unemployed: on 3,588 questionnaires distributed in the six metropolitan regions, 59 percent of those consulted said they would accept another type of work at lower pay than their previous job. The survey also showed that 59 percent of the unemployed were dismissed, compared with 41 percent who quit work of their own accord.

He confirmed the report by the JORNAL DO BRASIL that the IBGE, starting at the beginning of next year, will make a complete survey of underemployment. He explained

that, "because it is a very difficult survey," the results will only be announced annually. The institute considers as underemployed persons who, among other criteria, work 40 or more hours per week and receive less than the minimum wage.

The IBGE is already making a weekly survey of this type of underemployment, although only in the six metropolitan regions. According to these surveys, in September underemployment rates also fell in comparison with those of August. In Rio de Janeiro, with a labor force of 3,500,000 persons, underemployment was 9.46 percent in September, compared with 10.17 percent in August. The region with the largest number of such underpaid persons is Recife: 17.02 percent of a labor force of 700,000 persons.

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## LANGONI SAYS GOVERNMENT TO REDUCE TAX INCENTIVES IN 1982

Rio de Janeiro O GLOBO in Portuguese 28 Oct 81 p 17

[Text] Brasilia--Carlos Langoni, president of the Central Bank, yesterday termed "wasteful" the current volume of tax incentives (about 340 billion cruzeiros) and asserted that in 1982 "incentives in general, including those given to the capital market," will be reduced.

Langoni also declared that the government is not going to take any measure relative to foreign exchange to stimulate the export sector, which as of January will have its IPI [Finished Goods Tax] credit reduced from 15 percent to 9 percent. According to Langoni, the current policy of minidevaluations is providing "a significant gain for exporters."

In regard to tax incentives, the Central Bank president said it is necessary to force a reduction of the amount of funds and, at the same time, redirect regional incentives, "which could even be expanded if necessary." He stressed, however, that the main idea "is to force a reduction of incentives in general."

Carlos Langoni estimates the volume of fiscal incentives given this year will reach 344 billion cruzeiros: 138.8 billion on the Finished Goods Tax (IPI), 86.1 billion on the Income Tax (IR), 59.5 billion on the Import Tax and 59.6 billion cruzeiros in other benefits on financial charges.

## Mutual Funds

Claudio Haddad, director of the Public Debt Department of the Central Bank, said yesterday that the bank is still studying the proposals of the Equity Shares Commission (CVM), the Sao Paulo Stock Exchange and the Central Bank itself in regard to creating fixed-income mutual funds.

Haddad reported that the CVM plan is almost identical to that of the Central Bank, which proposes eliminating the 60 percent limit on fixed-income investments of mutual funds.

According to him, contrary to what is asserted by some financial experts, the funds will not be aiding only financial conglomerates in placing debentures.

"Beyond the fact that these issues are not very liquid," he argued, "the funds would have to concentrate a large volume of funds in top-quality issues."

## PCB PROPOSAL SEEKS TO UNITE OPPOSITION FORCES IN RIO

Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Oct 81 p 2

[Text] The Rio de Janeiro State regional committee of the PCB [Brazilian Communist Party] sent a document yesterday to the PMDB [Brazilian Democratic Mobilization Party], the PP [Popular Party], the PDT [Democratic Labor Party], the PTB [Brazilian Labor Party] and the PT [Workers Party] in which it proposes that the opposition parties draft a minimum program of government "on the basis of and for the purpose of uniting, in support of common ideals, all democratic forces of the State of Rio de Janeiro."

At Tiradentes Palace, Giocondo Dias, PCB secretary general, explained the proposal further: "In 1982 we should like to see emerge from free voting a governor who is committed to a broad-based coalition administration in the State of Rio that does not discriminate between the winning and losing opposition parties."

#### Support

Giocondo Dias said that as yet the PCB has not made an agreement with any of the declared candidates to succeed Governor Chagas Freitas. But he revealed that in Sao Paulo his party has already been guided toward working to elect the PMDB candidate, Franco Montoro.

The minimum program the PCB advocates, the basic ideas of which are defined in the document it delivered yesterday to opposition parties, labor organizations and community associations, is based upon four points:

1. Opening the state government to community participation in defining, executing and controlling policies through its legitimate organizations and representatives. Establishing a simple and effective system for consulting with and reporting to the people.
2. Respect for the nonpartisanship and independence of mass organizations.
3. Relationship with state employees based upon respect for the principles of merit and seniority, founded upon decent living and working conditions.
4. Genuine opportunity for participation by all political currents and beliefs.

## Struggle

In talking to newsmen in the Tiradentes Palace press room, Giocondo Dias, one of the authors of the document, replied to those who disagreed with including the PP, which is the government in the State of Rio, within the opposition:

"For us in the PCB, the great struggle is against the PDS [Social Democratic Party] and the authoritarianism that exists. Our democratic proposal is broad-based and could not exclude anyone. The PP--within a context that must be universal--is a party of the opposition."

There are no deadlines for the parties and social organizations that received the PCB document to declare themselves regarding its basic points. But Giocondo Dias said he does not think it should take long, expressing hope that some candidates would really transfer formulation of their plans and programs to community groups.

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## GOVERNMENT STUDIES CREATION OF AGRARIAN COURT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Oct 81 p 8

[Article by Rafael Wassermann: "Government Studies Creation of Court of Agrarian Law"]

[Text] Brasilia--The creation of a special Court of Agrarian Law is being studied by the government for the purpose of speeding up cases having to do with land controversies. The information was provided by Minister of Agriculture Amaury Stabile.

He explained that contacts are being made with the Ministry of Justice to accelerate the study of the cases involving land conflicts. At any rate, explained Stabile, there is still no final position by the government on the subject.

## Hearing Process

The special Court of Agrarian Law may only be created by law, which means that it is the responsibility of the government to send the draft bill to Congress suggesting the measure. The Judicial Branch has no legal authority for taking the initiative because the measure involves increases in expenditures and the Constitution does not allow the creation of any agency or independent body which increases expenses except by law.

It is probable that Minister of Debureaucratization Helio Beltrao will be asked by Minister of Justice Ibrahim Abi-Ackel to work with him in the preparation of the draft law which will propose the form of hearing processes for land cases. A clearer position by the government on the subject will be established in coming days through coordination with Chief of the Civilian Household of the Presidency Minister Leitao de Abreu.

The minister of justice explained that the Federal Police will act only to halt a possible wave of violence against homesteaders in rural areas who could benefit from the new usucaption law if an action by landowners to evict occupants from their lands became generalized in more than one state.

According to an adviser of Minister Abraham Abi-Ackel, the Executive and Legislative Branches may only initiate laws for the common good and the Judiciary is responsible for making decisions on conflicts having to do with the rights of citizens. Therefore, the parties who believe they are prejudiced by anyone who disobeys the laws should resort to the Judicial Branch.

When he prepared the draft law which reduces the period of special usucaption to 5 years for rural areas no larger than 20 hectares, the minister of justice, following instructions from President Joao Figueiredo, sought to insure definitive ownership (tenure) for the small landholder of the land worked by him and his family. The Ministry of Justice believes that any act of violence against the homesteader must be settled by ordinary justice, which provides free legal aid to those who cannot pay the fees charged by lawyers.

According to the Civil Code, ownership can only be considered after a year and a day, at which time a homesteader may no longer be evicted by force by the owner. In this case, the owner may only remove the invader of his land by means of a process of wrongful appropriation in which the two parties have to be heard by a judge who will render the final decision.

In similar fashion, the intruder, after holding the land for a year and a day may resort to the court with a writ of "possessory action" which guarantees him the right to the area he occupies but not its tenure, which means title of ownership. This may only be requested after 5 years according to the special usucaption draft law.

The minister of justice also explained that it is not up to the Executive or Legislative Branches to seek out the persons who feel wronged so as to solve their problems. Whoever feels prejudiced should acquire a lawyer (paid an honorarium by those who can afford it or one provided gratuitously by the state) to establish his rights. Therefore, only in case of social tension is the minister of justice, who is responsible for public order, authorized to use the Federal Police.

#### Proof

The homesteader who wishes to transform his claim into full tenure of the land after 5 years of use, must resort to the courts of the area, and as proof of having been in the area, present witnesses, documents, tax payments (if any) or even prove through his plantings (fruit trees) how long he has been on that site.

Pursuant to the very summary procedure for the acquisition of tenure contained in the Civil Trial Code, the judge convokes the other party, setting the day and time for his appearance before the court. The two parties having been heard, the judge issues his decision on the same day. However, his decision may be appealed to the Court of Justice. Even in cases of idle state lands, the judge of the area will have the authority to decide on possession.

The president of the National Land Reform and Settlement Institute [INCRA], Paulo Yokota, considered the usucaption draft law as "very realistic," but warned: It is necessary to make it clear that the new usucaption law is only going to apply to abandoned areas (not economically improved). In other cases it will be an invasion and that is settled in the criminal sphere."

#### Usucaption Law Gives Hope to the National Conference of Brazilian Bishops [CNBB]

"The news that a new regulation on usucaption is under consideration was a strong reason for hope in the solution of the serious problem of land in our country," commented the CNBB in a note distributed by its secretary general Dom Luciano Mendes de Almeida.

Father Martinho Len, in charge of the social action line of the CNBB and already appointed to comment on the government plan, believes that the reduction of the period of usucaption from 10 to 5 years will not resolve the problem of land immediately and brings with it the danger of bringing a renewal of violence in the rural area, with the eviction of homesteaders who have occupied lands for almost 5 years.

#### Agrarian Law

Father Martinho believes that the government plan should include a clause to protect the homesteader who is about to complete 5 years on the land. In his opinion, the law should clarify what the situation of the homesteaders of Araguaia will be, for example, homesteaders who with a year and a day on the land are now eligible to claim final title. "Could it be that they will have to wait up to 5 years while remaining at the mercy of those with false titles to the land?" he asked.

As far as Father Martinho Lenz is concerned, this plan is "a palliative measure" for resolving the land problem because laws of that nature can only be complied with if they are subject to an agrarian system of justice with its own courts.

"To place that law into practice is very difficult," he said "because it clashes with the power of the landowners and those with false titles, who always manage to violate good laws such as the Land Statute which guarantees the right to ownership."

The spokesman for the CNBB social action line believes the Executive plan is "a response" to pastoral church work in the rural areas, and which appears at a moment of tension "with an eye to the 1982 election."

As for the proposal by some sectors that the Church should initiate a process of agrarian reform with its own lands "to set an example," Father Martinho Lenz described it as demagogic but accepted that the measure be taken on idle lands, as happened in the diocese of Goiania, Aracaju and Barra (Bahia). "After all," he concluded, "those who propose it are going to be disappointed because church lands in the entire country do not exceed 178,000 hectares."

### CNBB Note

"The news that a new regulation on usucaption is under consideration was a strong reason for hope in the solution of the serious problem of land in our country. "It is the first move, which coming from President Joao Figueiredo and from acting President Aureliano Chaves, reveals the intention of improving the Land Statute and of attending to the many expectations of the various segments of society, including the constant appeals by the Church, which has not always been understood.

The sacrifice of so many homesteaders and individual workers of their own land deserves the help of all, primarily the authorities, to hasten the legal adjustment of the right of ownership and an effective process that will insure the rural man conditions of stability of work and tranquility in the use and ownership of land."

The plan for reducing the period of usucaption in the rural area "allows the harboring of the hope that the land problem will have a priority in the goals of the present government," declared CNBB Secretary General Dom Luciano Mendes de Almeida. He added: "In the light of this news we better understand the situation of the French priests and of so many agents of the Pastoral who for years have been waiting for a structural solution to the land problem."

One of the participants in the meeting of the episcopal congress as the auxiliary bishop of Sao Paulo, Dom Luciano said, however, that this new provision for the good of the small farmer can only attain the desired effect in the degree that processes are created to guarantee its implementation in such a way that the delay in its application does not cause disappointment in those who need the land for the survival of their families."

### Fidelity

Bishop Mathias Schmidt of the Rui Barbosa Diocese in the remote interior of Bahia, believes that the draft bill on usucaption sent to Congress by President Aureliano Chaves can greatly ease tensions in the rural area "but that will depend on the fidelity with which the law is implemented."

Dom Mathias made that statement in a recess during the assembly of the CNBB Subregional Northeast III in Rui Barbosa, Bahia, which was attended by Bishops Jose Rodrigues of Juazeiro and Jairo Matos of Senhor do Bonfim in addition to 35 priests, nuns and laymen. Areas of extreme tension and conflicts over land ownership exist in the three diocese.

The bishop of Rui Barbosa compared the new usucaption law to the Biblical parable of the trees and their fruit: Once when passing by a beautiful leafy tree, Christ commented to his apostles: "What good is such a beautiful tree without fruit?"

"Such is this new law. We are going to wait for its fruit. In itself the law seems good, but experience is what will show how it will be implemented. We have enough proof that a law is not a justification in itself, but rather is justified by its results. In this case, if it really brings good to the homesteaders, if it really makes ownership easier for the small landowners, it is a good law," said the bishop.

#### Assembly

The problem of urban land should become part of the discussion of the CNBB regional assembly on 4 November at the request of several bishops of Sao Paulo State and the national CNBB leadership. It will be the subject of the national assembly in February 1982.

An outline of the draft project to be discussed in the February assembly has already been approved by the CNBB Pastoral Episcopal Commission (CEP). In its introduction it states that the debate on the problem of urban land is justified because of the preferential option in favor of the poor assumed by the Church in Puebla and as a followup to the document "The Church and Land Problems" approved by the Brazilian bishops in 1980 which dealt with problems in the rural area.

#### Land Conflicts Involve 2 Million

Almost 2 million Brazilians are now involved in land conflicts, according to figures provided by the National Secretariat of the Land Pastoral in a survey made up to June 1981. Of those conflicts, the largest part--nearly 58.4 percent--took place in the 1979-1980 period, which indicates that they will not be resolved right after the approval of the draft law which reduces the period of usucaption.

The Land Pastoral also reports that it was not possible to delimit all the 916 areas under litigation in the country. It knows, however, that 343 of the conflicts cover an area of 37,216,698.5 hectares. Maranhao and Para lead in the statistics with 358 cases recorded by the Pastoral.

#### False Titles

Saying that the survey is "partial and provisional," the Pastoral reveals that the 916 conflicts in the country involve 261,891 families totaling 1,972,989 persons. In Rio de Janeiro the Pastoral recorded 53 cases (5.7 percent of the total), the majority of them cases of eviction.

The main cause of conflict over land in the country is false titles, with 498 cases, mainly in areas where social tension is greatest: Maranhao and Para. In national terms, the major causes of conflicts are: false titles, with 56.11 percent of the cases affecting 59,630 families; expulsion, 8.8 percent of cases affecting 40,891 families, and eviction, 7.2 percent of 7,528 families.

With 13,511,865 hectares in litigation, Para leads in statistics with respect to the size of the area in conflict. It is followed by Maranhao with 7,706,075 hectares and Roraima with 6,630,000 hectares. In Roraima, despite the fact that the area under litigation is very large, the official number of cases of conflict is only two, affecting 8,500 persons.

With respect to Rio de Janeiro, the Land Pastoral figured a total of 61,272 hectares are under litigation, a smaller number than those recorded by the Farm Workers Federation [FETAG] of the state of Rio (154,000 hectares). The FETAG believes that the Bocaina National Forest, with 100,000 hectares, is under litigation, but does not include several other areas such as the 12 of the Municipality of Angra dos Reis.

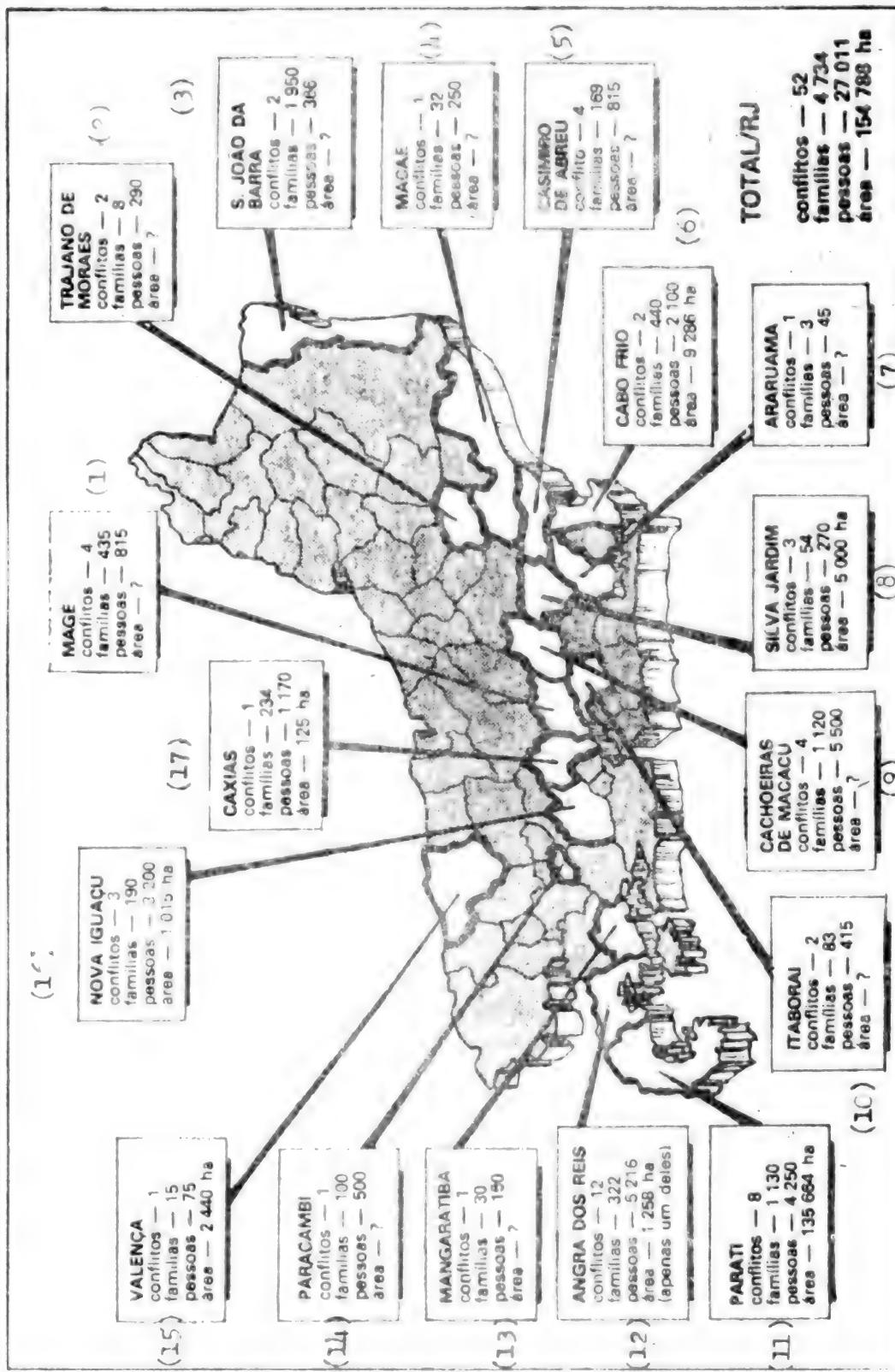
The questionnaires by the Pastoral indicate that the main cause of land conflicts resides in the government agencies themselves: INCRA itself with a total of 14 cases, followed by CODEVASF [Sao Francisco Valley Development Company] with 12 and the government (agency not identified), 11. It mentions 478 persons as responsible for initiating actions against homesteaders (68.3 percent). One hundred five cases (14.9 percent) are the responsibility of official agencies, and 15 the responsibility of multinationals (2.1 percent).

Estados (1)	Nº de (2)	Nº de (3)	Nº de (4)	(5)
	Conflitos	Famílias	Possessos	Área em Ha
Acre	21	1.180	6.390	820.712
Alagoas	15	2.081	12.200	11.549
Amapá	05	12	20	253.000
Amazonas	23	170	6.252	91.396
Bahia	94	24.201	252.957	2.906.590
Ceará	14	2.032	13.860	15.699
D. Federal	03	187	935	65.800
E. Santo	03	150	500	30.000
Goiás	53	2.776	16.376	495.266
M. Grosso	62	11.010	61.400	1.033.527
M. G. Sul	19	1.861	22.560	454.112
Maranhão	207	67.184	334.080	7.706.075
M. Gerais	33	35.383	27.456	137.524
Pará	151	37.874	208.272	13.511.865
Paraíba	14	1.934	16.220	74.013
Paraná	16	11.931	59.780	2.049.204.5
Pernambuco	26	31.635	173.898	39.168
Piauí	15	2.387	11.160	205.294
R. Janeiro	53	5.387	57.170	61.272
R. G. Norte	16	9.451	59.746	129.336
R. G. Sul	09	4.264	21.320	10.235
Rondônia	14	2.618	12.091	147.000
Roraima	02	—	8.500	6.630.000
S. Catarina	12	2.019	10.795	17.557
São Paulo	20	3.341	17.065	313.145
Sergipe	13	1.089	10.780	87.056
Total	915	261.791	1.572.989	37.216.697.5

#### Land conflicts in Brazil

Key:

1. States	4. Number of persons
2. Number of conflicts	5. Area in hectares
3. Number of families	



The chart above was prepared from figures provided by the FETAG of Rio de Janeiro for 1980, According to the INCRA public relations coordinator (southeastern part), Antonio Ventura, FETAG figures are "partially accepted" by the agency although there are some litigations which INCRA considers as being already resolved. [key on facing page] Totals in Rio: Conflicts, 52; families, 4,734; persons, 27,011 area, 154,788 hectares.

Key:

1. Mage  
conflicts--4  
families---435  
persons----815  
area-----?
2. Trajano de Moraes  
conflicts--2  
families---8  
persons----290  
area-----?
3. S. Joao da Barra  
conflicts--2  
families---1,950  
persons----366  
area-----?
4. Macae  
conflicts--1  
families---32  
persons----250  
area-----?
5. Casimiro de Abreu  
conflicts--4  
families---169  
persons----815  
area-----?
6. Cabo Frio  
conflicts--4  
families---440  
persons----2,100  
area-----9,286 hectares
7. Araruama  
conflicts--1  
families---3  
persons----45  
area-----?
8. Silva Jardim  
conflicts--3  
families---54  
persons----270  
area-----5,000 hectares
9. Cachoeiras de Macacu  
conflicts--4  
families---1,120  
persons----5,500  
area-----?
10. Itaborai  
conflicts--2  
families---83  
persons----415  
area-----?
11. Parati  
conflicts--8  
families---1,130  
persons----4,250  
area-----135,664 hectares
12. Angra dos Reis  
conflicts--12  
families---322  
persons----5,216  
area-----1,258 (only one of them)
13. Mangaratiba  
conflicts--1  
families---30  
persons----150  
area-----?
14. Paracambi  
conflicts--1  
families---100  
persons----500  
area-----?
15. Valencia  
conflicts--1  
families---15  
persons----75  
area-----2,440 hectares
16. Nova Iguacu  
conflicts--3  
families---190  
persons----3,200  
area-----1,015 hectares
17. Caxias  
conflicts--1  
families---234  
persons----1,170  
area-----125 hectares

### Rio Grande do Sul Farmers Support the Bill

Leaders of the FETAC of Rio Grande do Sul and the Rio Grande do Sul Agrarian Front (FAG), an advisory agency of the CNBB South Regional, are unanimous in praising the government plan to reduce the time for occupation of rural areas for usucaption from 10 to 5 years, believing that the government is interested in solving "the problem of neglect in the rural area."

Farmer organizations and the INCRA regional branch say that the number of those benefitted by the plan in Rio Grande do Sul is "almost unimaginable." Also with respect to the states of the north, northeast and center-west, the secretary general of FETAG, Canisio Weshenfelder, said: "It is a great advance which deserves our total support and enthusiasm."

Leaders of FETAG and FAG say that in Rio Grande do Sul "the greatest problem is not with respect to homesteaders but primarily with respect to poor land distribution which forces the small landowners to leave the rural area because of a lack of options for survival in the interior."

### Border

Not even 10 percent of the 200 land conflicts in Parana will be helped by the draft law sent by President Aureliano Chaves to the Congress. According to the president of the Justice and Peace Commission of Parana, Attorney Wagner D'Angelis, the majority of the centers of tension in the state are on the border belt--a national security area--and therefore excluded from the benefits of the law.

Land conflicts in Parana involve nearly 300,000 homesteaders on 36,000 hectares divided into areas of various sizes.

### Unconstitutional

The regional delegate of the Brazilian Agrarian Reform Association--ABRA--, Jorge Coelho, said he is against the new usucaption decree "because I do not see how a constitutional decree can resolve social tensions in the rural area, much less be called agrarian reform."

"The new decree not only violates Article 171 but also the Land Statute Article 98, which sets 100 hectares as the limit for receiving the benefits of usucaption. The draft law reduces the maximum limit to the average size of the holdings in the regions, which is between 35 and 40 hectares in the Northeast. It is unconstitutional," explains Jorge Coelho.

8908

CSO: 3001/12

## BRIEFS

MINAS RETAINS HELIBRAS CONTROL--Belo Horizonte--The government of Minas Gerais will not sell any of its 55 percent share of HELIBRAS [Brazilian Helicopters, Inc] to its French partner, Aerospatiale. "It is not the function of the state to own stock in manufacturers of aircraft, helicopters or automobiles," declared Finance Secretary Marcio Garcia Villela in reply to apprehension expressed by the French state enterprise. The secretary added that the Minas Gerais Development Bank [BDMG] is studying the alternatives for the project and revealed that "the state will not sell its share of HELIBRAS, which would be immoral and unethical." He also said there is no reason for the French, who hold 45 percent of the company's stock, to be worried, "because we will inform them in advance of any decision we are going to make." With withdrawal of the Navy and Air ministries from ownership of HELIBRAS, located in Itajuba, southern Minas Gerais, which since January 1980 has been producing one aircraft per month, "caution is necessary in future studies to keep the project in step with the market," the finance secretary asserts. By the end of last month, HELIBRAS had paid-up capital of 224 million cruzeiros, which, by decision of the stockholders, is to be increased before the end of this year. But, according to Mario Garcia Villela, in view of the current situation, "any further increase of HELIBRAS capital will depend upon the technical analyses the BDMG is making." [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese  
9 Oct 81 p 17] 8834

CSO: 3001/19

## DEVALUATION PREDICTED FOR EARLY 1982

La Paz PRESENCIA in Spanish 17 Oct 81 p 9

[Text] "The liquidity problems in our national financing can be solved only with external aid," commented the manager of the National Chamber of Commerce, Rene Candia.

Given that the great economic crisis the country is undergoing stems from the huge foreign debt, it seems logical that the principal remedy lies in solving that problem, commented Candia Navarro.

"This is a kind of wall that is blocking all other measures or hindering their effectiveness," explained the manager of the National Chamber of Commerce.

He also remarked on the system of priorities that the Central Bank has announced, with respect to the granting of foreign currency reserves to different sectors according to need.

In other aspects of the economic-financial sector, it is generally assumed that the devaluation of the Bolivian peso will be a natural requirement for receiving stand-by credit from the International Monetary Fund.

Among the speculations circulating in government and business circles, it is foreseen that the International Monetary Fund may propose that the Bolivian Government temporarily float its currency.

This measure would determine the real value of foreign currencies, and that experience could be used to arrive at a new exchange rate, to be established on the basis of a series of economic and financial factors.

After a period of a freely floating exchange rate, a fixed rate would be set to make the financial process more stable.

This hypothesis contrasts with official statements ruling out a devaluation; at the same time, it has stirred fears that if the peso is floated, even temporarily, a spiral of instability could be unleashed with consequences that are hardly soothing to economic officials.

Other sources predict that, given the proximity of the holidays, the devaluation will be postponed to January or February so that unpopular measures will not be taken at Christmas time.

The weekly letter NOTAS, on the other hand, predicts that "if the Monetary Fund authorizes stand-by credit, the devaluation is inevitable, because if the latest rate of 25 Bolivian pesos to the dollar were maintained, the cheap price of our currency would lead to its rapid disappearance."

"The devaluation of the peso," NOTAS goes on, "is necessary so that the credit the Monetary Fund will eventually grant does not dwindle away."

"It is obvious," it continues, "that the other solution would be exchange control, but the Fund prefers to maintain freedom of commerce (and therefore of exchange)."

"Moreover, that control would send the parallel market into an upward spiral, with the proliferation of dishonest practices and other calamities that are very well known to the entire country, making such exchange restrictions necessary." In addition, the government does not have adequate means available to control speculation.

8926  
CSO: 3010/185

## PRESIDENT OUTLINES NEW ECONOMIC POLICY

La Paz HOY in Spanish 22 Oct 81 p 9

[Text] The government will establish a realistic exchange policy, based on the forces of the market, announced the president of the republic, Gen Celso Torrelio Villa, last night. He also revealed that the new policy will contain a financial mechanism for the strict and centralized control of the foreign debt.

Chapter VI, on "Economic Policy," was explained by the chief of state. Here is the text of that chapter:

The solution of the economic crisis requires the adoption of measures and decisions based on the idea that the transformation of the current economic system is the only real alternative for reversing the cumulative deterioration of the national economy. The extent of the modifications required will be determined during the process of change that must begin as soon as possible, and whose duration is only foreseeable as a function of the results obtained during the current economic cycle. This situation is being studied by the international financial world, both public and private, in order to find a solution to the national economic and financial crisis.

The principal decisions that must be firmly taken are the following:

1. Fiscal Policy

To give top priority to the implementation of Tax Reform, with special emphasis on the following measures:

- a) To substantially expand the tax base by incorporating into the tax structure all urban and rural sectors that are not subject to taxation, based on principles of equity, universal application and the ability to pay.
- b) To drastically reduce private and state tax evasion through a radical improvement of auditing systems. Elimination of all exemptions and privileges.
- c) To rationalize and modernize collection and auditing systems. Elimination of official corruption.
- d) To transform specific taxes into ad valorem taxes so that they can move simultaneously with prices.

e) To reorganize the tariff policy, giving preference to the following objectives: I) selective substitution of imports; II) penalization of imports of dispensable and luxury goods; III) incentives for exports, particularly non-traditional ones; IV) making national industry subject to competition by reducing tariffs and orienting industry toward the production of goods that have comparative advantages.

f) To implement a new budget policy that is imperative and realistic, so that public spending may be adjusted strictly to the availability of financial resources. The income policy should be based on the equitable distribution of the tax burden; and the spending policy should be aimed at maintaining employment levels and at giving equal treatment to all economic sectors and all geographical regions.

g) To rationalize oriented public investments and high-priority, short-term projects with high yields and great benefits for the country, in terms of production, employment and the generation of foreign reserves.

h) To eliminate subsidies and artificial prices.

i) To balance the budget and eliminate the deficit financed by the Central Bank.

j) To renegotiate the foreign debt on terms and conditions compatible with the country's situation.

#### 2. Financial Policy

a) To attract foreign investment on the basis of a new, realistic and objective Investment Law, which would contain simplified, clear and easily applied rules.

b) To reorient domestic investment in order to channel it toward the creation of internal aggregate value.

c) To establish a strict and centralized mechanism for controlling the foreign debt. These resources would be oriented exclusively toward investment, preferably in short-term projects.

d) To put the Stock Exchange in full operation.

e) To create an Economic-Financial Stabilization Council as a fundamental tool for the control and follow-up support of the economic reactivation process.

#### 3. Monetary Policy

a) To establish a realistic exchange policy, based on the forces of the market.

b) To manage the monetary instruments of the legal cash reserve, the selective discount and bank interest rates, in order to maintain aggregate demand at levels compatible with the supply of goods and services.

#### 4. Productive Sector Policy

Given the financial and institutional weakness of the public sector, which is a limiting factor that influences the development of new investment, the following decisions have been made:

- a) To readjust the public enterprise sector, based on the expansion of the private sector.
- b) To rationalize employment and wages in the public sector by attempting to increase production and cut costs.
- c) To promote the participation of the private sector in state enterprises, and the possible transfer of those enterprises.
- d) To diminish the role of the state in future productive activities.
- e) To transfer to the private sector, or provide for private participation in those productive projects which are currently being executed, as dictated by the above-mentioned financial and institutional weakness of the public sector. For the application of the above measures, the enterprises and productive projects of the public sector will be classified according to profitability and efficiency criteria, as profitable enterprises, unprofitable enterprises and enterprises with chronic deficits.

Within 1 year, steps will be taken to consolidate the profitable public enterprises, and the unprofitable and losing enterprises will be transformed, case by case, into:

- private
- mixed
- subject to administration contracts
- cooperatives

Finally, the irrecoverable enterprises will be liquidated.

- f) To establish a new compensatory system of rights and concessions for the exploitation of natural resources for both public and private sector firms.
- g) To eliminate the system of Central Bank loan guarantees for the private sector, and substantially reduce such concessions to the public sector, until they are totally eliminated.
- h) To eliminate capital transfers granted by the Central Bank to public enterprises, and to do away with subsidies and dependence on the public sector in general.
- i) To pass the Law to Promote Non-traditional Exports, which includes warrants and other methods of financing, avoiding all types of state subsidies.
- j) To create the Institute of Foreign Trade.

## 5. Medium-Term Economic Policy

To seek a real and sustained improvement of the economy, and a higher standard of living for the population, through actions that must begin now and intensify in the medium term.

In this regard, it is imperative that a new economic development model be formulated with all its implications, based on a free-market economy, considering the objective realities of our country and the experiences of the last two decades.

The principal objectives that should be sought through this model are as follows:

1. To reactivate the economy through the adequate strengthening of the domestic market and a substantial increase in exports.
2. To provide incentives for the productive sectors that have comparative advantages.
3. To promote the fluidity of foreign capital in direct investments.
4. To cumulatively reduce current fiscal spending.
5. To substantially improve the flow of resources toward investment.
6. To provide dynamic support for the private business sector while shrinking the public enterprise sector and reducing the resultant deficits.
7. To rapidly expand production and exports.
8. To balance the budget and the balance of payments.

8926

CSO: 3010/185

## MINING ENTERPRISES SEEK COMMITMENT OF FUNDS

Cochabamba LOS TIEMPOS in Spanish 18 Oct 81 p 8

[Text] Measures designed to control transactions in foreign currencies are threatening to paralyze production in tin, tungsten, antimony, lead, zinc and other mines that are being exploited by public and private sector mining enterprises.

According to a report by the Mining Chamber, the mining industry uses inputs such as explosives, chemicals, tools, equipment and machinery whose importation has now been halted. Supplies are short at the firms' deposits, and they are in the process of depleting their inventories. Every order requires considerable processing time before the product arrives at the warehouse.

The Chamber reported that the Emergency Economic Commission of the National Mining and Metallurgy Council nearly 2 months ago sent the government a memorandum explaining the serious economic and financial plight of the mining sector. It suggested, among other things, that letters of credit for the importation of inputs, equipment and machinery needed to maintain normal mining operations should be given priority in processing and in the assignment of foreign currency, for which purpose a special mechanism should be established for requesting and committing foreign currency.

According to the Mining Chamber, that request and the procedures have been approved by the Council of Ministers. The mining sector anticipates emergency measures to solve this serious problem, because otherwise productive activities will grind to a halt and there will be damaging consequences for the producers and the nation as well, it stressed.

8926

CSO: 3010/185

## REACTIVATION OF MINING, AGRICULTURAL SECTORS UNDERLINED

La Paz EL DIARIO in Spanish 22 Oct 81 p 4

[Text] The productive process, according to the Government Program proposed last night by President Celso Torrelio, will be developed on the basis of three sectors: mining, agriculture and hydrocarbons, to be complemented by a policy that will deal adequately with the industrial and infrastructure sectors.

The document indicates that the stimulation of activities in the above-mentioned sectors "will be aimed at the fundamental objective of creating maximum options in the utilization and use of renewable and non-renewable resources."

#### Mining-Metallurgy Sector

In this field, the government will concentrate on and will give favorable consideration to the implementation of the 1981-1985 Mining-Metallurgy Policy, which is designed to reactivate and reorganize the sector as soon as possible.

The iron and steel industry will receive firm support within the retrointegrated system that will begin with the installation of a rolled products plant, followed by the correlation of a complementary study and an effort to obtain financing compatible with the country's interests.

On the international level, there will be joint negotiations with tin producing countries to find the most suitable ways to obtain remunerative and fair prices for our principal export. Agreements will be made to set forth procedures for forming a pool of mineral raw materials, with the possibility of consolidating a National Buffer Stock.

The financing capacity of the Bolivian Mining Bank will be reinforced, and private mining firms will be accorded special treatment, facilitating coordination with state-run mining enterprises "in order to achieve sufficient compatibility for the optimum benefit of the country."

#### Agricultural Sector

In this area, the Government Program stresses that all possible efforts will be made to invest in the future.

Regional development nuclei will be organized with horizontal and vertical agricultural production structures designed to create an agricultural industry in which farmworkers, agricultural laborers, administrative employees and agricultural technicians would work together in complexes.

The operation of this sector will be regulated within mixed structures, with private capital, financing by public institutions or international agencies, and internal savings accumulated on the basis of cooperative economic and social work.

In this sector, moreover, the following activities will be undertaken: to step up agricultural production aimed at consumer and industrial use, using high-efficiency cultivation techniques, increased productivity and competitive pricing; to promote and develop livestock production, incorporating appropriate industrial processes and channeling surpluses into the export markets; to reorient meat consumption in order to stimulate the use of white meats so that red meats can be funneled into the foreign market; to rationalize the use and development of the country's forestry resources; and to promote food production to meet national needs and send surpluses to foreign markets.

#### Energy Sector

The government emphasizes in the document that there is improper use of energy resources in this sector. Non-renewable resources such as liquid hydrocarbons are consumed wastefully, while available resources such as natural gas are not utilized to their full potential.

In light of these problems, an energy policy will be developed along the following lines: to make intensive use of renewable resources; to utilize natural gas reserves; to rationalize the consumption of liquid hydrocarbons; and to make gradual progress in the use of non-conventional energy sources.

#### Hydrocarbons

In this subsector, measures will be taken to bolster reserves, with the ultimate goal of making the country self-sufficient and generating exportable surpluses. Production will be stepped up through the accelerated development of recently discovered fields and the secondary and tertiary recovery of fields now being exploited.

Moreover, the construction of an internal network of gas pipelines will be speeded up so that liquid fuels can rapidly be replaced by natural gas.

Negotiations will continue for the exportation of surplus natural gas to Brazil, and the diversification of other possible markets will be explored.

As for petrochemicals, a nitrogen fertilizer plant will be installed to cover increasing internal demand and export surpluses. The National Fertilizer Enterprise will be created, with public and private stock ownership.

8926

CSO: 3010/185

## ROA CASTIGATES 'U.S. IMPERIALISM'

PA080058 Paris AFP in Spanish 2312 GMT 7 Nov 81

[Excerpts] Managua, 7 Nov (AFP)--Raul Roa, vice president of Cuba's National Assembly, has expressed here "the Cuban people's firm determination to defend their revolution against any attack by the U.S. administration."

Roa arrived in Managua today to participate in the events marking the death of FSLN founder Carlos Fonseca Amador. Fonseca Amador died on 7 November 1976 while fighting dictator Anastasio Somoza's army in a mountainous area in the north.

In his statements to the newsmen, Roa stressed the Cuban delegation's official charge at the United Nations in protest against U.S. aid for the rebel forces in El Salvador, which he described as "slanders disseminated by U.S. imperialism." [sentence as received] Roa also described the latter as a "monstrous system."

"Haig is an imbecile; he was born in an incubator and therefore has no father or mother. He knows we are not afraid of him," Roa commented about the U.S. secretary of state and the military option he announced in connection with Cuba.

"The policy of the current Reagan administration represents a brutal and violent escalation, seeking to destroy the liberation movements and to attack the sovereignty of the free Central American and Caribbean countries," Roa added.

During a ceremony held at this capital's Central Plaza, the FSLN directors presented Roa with a document acknowledging "his special identification with the Nicaraguan struggle and his militancy in the international cause."

Professor Edelberto Torres, an old Sandinist who protected Carlos Fonseca, and priest Jose Arias Caldera, who sheltered FSLN leaders in his church during the 1979 insurrection, were decorated at this event with the National Carlos Fonseca Order.

CSO: 3010/299

COUNTRY SECTION

CUBA

VETERAN COMMUNIST RAMON NICOLAU DIES

Report of Death

FL132003 Havana Domestic Service in Spanish 1100 GMT 13 Nov 81 FL

[Text] The burial of Ramon Nicolau Gonzalez, veteran communist fighter and early leader of the Cuban Communist Movement, will take place this morning. He died here yesterday.

Funeral Ceremony Held

FL141717 Havana Domestic Service in Spanish 1145 GMT 14 Nov 81

[Excerpts] The burial of revolutionary fighter Ramon Nicolau took place yesterday morning at the FAR mausoleum in Colon cemetery. Present, to pay his respects and in tribute to his memory, was army Gen Raul Castro, second secretary of Cuba's Communist Party Central Committee and minister of the FAR. Also present were Carlos Rafael Rodriguez, member of the Politburo and president of the Councils of Ministers and State, and Vilma Espin alternate member of the Politburo and president of the Federation of Cuban Women.

Carlos Rafael Rodriguez gave the eulogy and outlined the biographical and revolutionary path of the beloved fighter. [Begin recording] Men and women with 30, 40 or 50 years of revolutionary experience--yesterday's and today's--involved in the same definite revolution, have gathered here to bid farewell to this comrade and to tell him that at a time when our fatherland and our people (?stand) once again threatened by imperialism, at a time when the unity of our combat forces is more necessary than ever, at a time when the armed forces together with the territorial troops militia and all our people, watch the horizon, his example stands before us as an admirable and permanent example. [end recording]

CSO: 3010/278

## BRIEFS

SCIENTIFIC CONGRESS--Sergio del Valle, member of Cuba's Communist Party [PCC] Politburo and minister of public health, has attended the opening session of the second national congress of microbiology and parasitology at the Palace of Conventions in this capital. The congress, which is being sponsored by the Cuban Association of Microbiology and Parasitology, is being held within the framework of the centennial commemoration of the historic paper presented by Cuban scientist Carlos J. Finlay, in which he established for the first time the concept of transmission of the yellow fever by the aedes aegypti mosquito. Dr Gustavo Kouri, president of the Cuban Association of Microbiology and Parasitology, made the opening remarks. Gregorio Delgado Garcia gave a lecture titled "Centennial of Finlay's Doctrine; Scientific and Historic Evaluation." During the morning session, the participants also discussed the topic dealing with education in microbiology and parasitology. Sitting at the presiding table were Wilfredo Torres, member of the PCC Central Committee and president of Cuba's Academy of Sciences, public health vice ministers and other officials. [Text] [FL122327 Havana Domestic Service in Spanish 2230 GMT 12 Nov 81]

SOVIET DELEGATION--Cuba's Communist Party [PCC] Politburo member Jorge Risquet Valdes today received at the Central Committee main office the Soviet delegation headed by Leonid S. Sarviro, member of Belorussia's Communist Party Central Committee and deputy to the USSR Supreme Soviet. The two sides discussed matters of interest for the relations between the two countries. Also present in the meeting were Pedro Ross, alternate member of the PCC Central Committee, and Vitaliy Vorotnikov, ambassador of the USSR to Cuba. [Text] [FL120218 Havana Domestic Television Service in Spanish 2100 GMT 12 Nov 81]

OFFICIAL IN ALGERIA--Armando Hart Davalos, member of the Politburo and minister of culture, met with high officials of the Algerian Government and then traveled to Oran on a tour of that province. Mohamed Cherif Messaadia, member of the Political Bureau and responsible for the permanent secretariat of the National Liberation Front Central Committee of Algeria, received Hart and his party. The occasion provided an opportunity for both officials to discuss bilateral relations, international affairs and matters of common interest. [Text] [FL131319 Havana Domestic Service in Spanish 1200 GMT 13 Nov 81]

HAIG STATEMENTS--The yankee secretary of state, Alexander Haig, flung new threats at Cuba, Nicaragua and Libya during an appearance Thursday before the House Foreign Relations Committee in Washington. Haig repeated his previous lies against Nicaragua and Cuba concerning their alleged interventions in the Salvadoran conflict and said that his government is determined to crush what he called communist expansion in the continent. The secretary of state flatly refused to give assurances to congressmen that the United States would not undertake actions to overthrow the Sandinist government. Several congressmen recriminated him for this. According to news agencies, Haig even verbally abused the congressmen who dared contradict him and acted like a general giving orders to mere soldiers. Concerning Libya, Haig repeated his previous lies against the Tripoli government which he said was behind the attack Thursday morning against the yankee charge d'affaires in France. The Libyan Government last night categorically denied Haig's accusation and said that it was part of the general line of provocations against Libya by U.S. imperialism. Western European news agencies recognized in Washington-dated reports that the new threats hurled by Haig against Nicaragua and Cuba have contributed to further intensify tension in Central America and the Caribbean. [Text] [FL131208 Havana Domestic Service in Spanish 1100 GMT 13 Nov 81]

U.S. 'THREATS'--The WPC has reiterated its firmest solidarity and support for Cuba in view of the threats of direct aggression made by the Ronald Reagan government, a group of parliamentarians belonging to the WPC have said in Helsinki. The parliamentarians also denounce the reiterated and frequent aggressive and threatening statements against the Cuban Government by official spokesmen of the U.S. administration. They add: To this end hysterical lies have been said whose only objective is to deceive international opinion to justify a crude and direct aggression in Central America and the Caribbean. The parliamentarians conclude by noting: Cuba is not alone, (let us) actively and urgently defend the Cuban revolution and struggle for peace wherever imperialism increases its aggression and intervention. [Text] [FL101514 Havana Domestic Service in Spanish 1502 GMT 10 Nov 81]

ARMENIAN DELEGATION--Jesus Montane Oropesa, alternate member of the Politburo and member of the secretariat of the PCC Central Committee, received a Soviet delegation led by G. M. Voskanyan, secretary of the Central Committee [of the Communist Party] of the Republic of Armenia. The delegation is visiting Cuba as part of the standing agreement of exchange. During its stay in our country the delegation has visited the provinces of Cienfuegos, Villa Clara, Santiago of Cuba, Matanzas and Havana City. [Text] [FL101430 Havana Domestic Service in Spanish 1200 GMT 10 Nov 81]

U.S. BACTERIOLOGICAL WARFARE--Cuba today denounced the bacteriological warfare being conducted by the United States against our country during which plagues have affected agriculture and epidemics the population, Dr Adolfo Valdivia, member of Cuba's Communist Party Central Committee and secretary general of the National Health Workers Union, stated in a speech at the international conference on the topic "The Struggle of the Unions Against Transnational Pharmaceutical Corporations and for a Sanitation Policy for the Well-Being of Man," which opened in Moscow. Valdivia added that only forces which love peace and social progress will be able to stop the criminal hands of U.S. imperialism in its continuing increase of the arms race, which threatens man's survival. Participating in the conference are 209 representatives from 70 countries, union leaders, physicians and scientists. [Text] [FL120146 Havana Domestic Service in Spanish 0000 GMT 12 Nov 81]

SOVIET MILITIAS ANNIVERSARY--The 64th anniversary of the Soviet militias, founded by Lenin on 10 November 1917, 3 days after the triumph of the October Revolution, has been commemorated by Cuba's National Revolutionary Police. Brig Gen Luis Felipe Denis, a member of the Communist Party of Cuba Central Committee, presided over the ceremony. [FL111736 Havana Domestic Service in Spanish 1700 GMT 11 Nov 81 FL]

MEXICAN TEXTILE TRAINING--Cubans will train as instructors in textile manufacturing at Mexico's national center for productivity and intensive training of manpower, in accordance with an agreement signed on Tuesday in Mexico City. In addition to training the Cuban instructors, Mexico will provide Cuba with audio-visual aids to teach garment manufacturing. Mexican technicians will also visit Cuba to observe work procedures in Cuba's textile industry. [FL111736 Havana Domestic Service in Spanish 1100 GMT 11 Nov 81 FL]

U.S. BILATERAL RELATIONS--Cuba has accused the United States of using bilateral relations to sow division among the Central American and Caribbean countries. The charges were raised by the vice president of the Cuban State Committee for Economic Cooperation, Manuel Torres, at the ministerial meetings for development and cooperation in the Caribbean underway in St Georges, Grenada. Torres accused some governments in the area of acting as Washington's tools. He also underscored that U.S. is endangering regional peace and stability by threatening Nicaragua, Grenada and Cuba. [Text] [FL121501 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 12 Nov 81]

U.S. THREATS CONDEMNED--Cuban Christians have rejected U.S. Government lies and threats against Cuba. In a statement to Radio Havana Cuba, the president of the Cuban Presbyterian Church, (Orestes Gonzalez), announced that representatives from all the Cuban churches were meeting (?in Havana) Saturday to express their condemnation of U.S. threats against Cuba, Central America and the Caribbean. The Reverend Gonzalez said Washington is trying to destroy the Cuban example. He said the U.S. claim that Cuba has sent troops to Nicaragua and El Salvador is a lie. Meanwhile, Bishop (Armando Rodriguez), who heads the Methodist Church in Cuba, described the U.S. warmongering and aggressive policy against Cuba, Central America and the Caribbean as totally wrong. He said the Christians feel it is their duty to express their solidarity with the Cuban people. [Text] [FL131413 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 13 Nov 81]

ENVOY TO PORTUGAL--The Council of State has appointed Comrade Carlos Lechuga Hevia as new Cuban ambassador to Portugal. [FL121847 Havana Domestic Service in Spanish 1100 GMT 12 Nov 81 FL]

BULGARIAN VISITOR--Lionel Soto, member of the secretariat of the Communist Party of Cuba Central Committee has received Gancho Ganev, member of the Bulgarian Communist Party Central Committee and rector of the Academy of Social Sciences and Social Management. [Excerpt] [Havana Domestic Service in Spanish 1700 GMT 12 Nov 81 FL]

CSO: 3010/278

## GOVERNMENT MINISTER MEETS WITH POLITICAL PARTY HEADS

Quito EL COMERCIO in Spanish 20 Oct 81 p A 1

[Text] Government Minister Dr Galo Garcis Feraud asserted that most of the political leaders with whom he has spoken agree that there is a need to draw up concrete plans concerning the Constitution of the Republic.

He made it clear that his conversations with party leaders are aimed at ascertaining ways to establish rules for political operation in which, guaranteeing administrative action by the government and party leadership, democracy will remain strong.

"Democracy," he said, "means government by the people and a multiple concurrence of ideologies. Our posture illustrates precisely the type of pluralism the present regime proposes," he said.

"This posture is being adopted in the interest of the establishment of ideas, theses and observations, but in no way does it mean a yielding of positions by the Popular Democracy Party [DP], since the triumph of a particular party option is of no interest to the country. Ecuador," he said, "is seeking to lay the foundation for a general vocation, which is freedom and a guarantee of political and doctrinal thought. In previous meetings the government and parties have agreed on the basic aspects of harmonious national coexistence," he emphasized.

Yesterday, the minister talked with leaders of the Social Christian Party [PSC] who, in turn, said that their party's desire for rapprochement with the government can only serve to help strengthen democracy.

In this respect, Camilo Ponce Gangotena said, "It is our duty to aid in carrying out the government's policy to show that the opposition is interested only in strengthening the country's democracy. We came here with the right every political party has to talk with the government and express the concerns of broad sectors of our nation," he said.

"Our position is rational and not radical and is directed toward the attitude of the government which is aspiring to impose a Popular Democracy regime," he said.

The PSC leader also said that his party's position with regard to the government has not changed.

Minister Garcia will meet today with Concentration of Popular Forces and with the Alfarist Radical Front. Tomorrow he will meet with the Democratic Popular Movement and with the CID [Democratic Institutional Coalition]. The interviews will end Thursday or Friday.

## FORMER CHAIRMEN DISSATISFIED WITH COMMITTEES' PROGRESS

Quito EL COMERCIO in Spanish 13 Oct 81 p A 3

[Text] Former chairmen of permanent legislative committees of the National House of Representatives [CNR], who have finished their work, pointed out the need for each of those organizations to have a group of advisers to do better legislative work.

A feeling of frustration and dissatisfaction about what could be done and is not done resulted in certain statements being made to this newspaper by the following legislators: Julio Ayala Serra, former chairman of the welfare committee; Galo Vayas, of the budget committee; Marco Proano, of the civil and penal committee; and Eudoro Loor, vice chairman of the agriculture committee.

Ayala said that the work could be more positive but noted that adverse circumstances prevented a more outstanding performance.

He pointed out the need for each of the committees and subcommittees of these legislative bodies to have a specialized adviser, "since legislators cannot be versed in all subjects."

Proano, in turn, said that his committee worked with a sense of responsibility and dedication and that the work of that organization and of parliament itself can be reflected in the passing of the Transit and Land Transportation Law.

Vayas said that the work was difficult, since approval had to be given to a budget which was arithmetically financed but which contained unreal entries. "Despite this fact, approval was given at times to keep parliament from being disparaged."

Loor said that the work was irregular, since the committees did not face up to the real problems and basic laws. "Some legislators lacked motivation," he said.

Ayala, former chairman of the committee on welfare and labor [CSL], said he thought the work could have been 10 times more positive.

"However, I am pleased to say that we are trying to carry out our obligations with honesty and efficiency, to pass laws which are just, positive and of importance to the country; and, in short, if this has not been achieved, it is because of certain adverse circumstances," he said.

"In an underdeveloped country a shaky democracy could not be expected to obtain a high level of development from its legislative efforts," the CFP [Concentration of Popular Forces] legislator pointed out.

"This committee has spent much effort on behalf of the popular and majority sectors, even though this has not pleased other sectors; we at least have that satisfaction," he said.

"I believe that we are bound to improve this year with the experience obtained. God grant that it be so! God grant that the new committee members will have the same faith, determination and desire to serve that we tried to incorporate in all our acts!" Ayala emphasized.

"I think," Ayala said, "that one committee aspect which should change is that of personnel; committees need a specialized adviser in each of the branches for which legislators are responsible. Therefore, within the CSL we have set up five subcommittees: education, health, social security, labor and cooperatives, and housing; specialized advisers are needed for each of these branches.

"In our committee we had two advisers: one could speak on cooperatives and housing, the other on labor. We need specialized advisers in the education and social security sectors.

Engineer Eudoro Loor, former vice chairman of the committee on agriculture [CA], in turn, said that the work of the legislative committees in their 2-year period of service has achieved a result which can be considered irregular. "It was not as hoped, because we did not face up to the basic problems and fundamental laws Ecuador has in the agricultural, tax and welfare fields," he asserted.

"This was due," he pointed out, "to a lack of proper calling and willingness to change on the part of many of us who make up legislative committees, on the lack of a qualified adviser to help us carry out our tasks and, unfortunately, on a threat of committee reorganization which has been hanging over our heads for 1 year when Engineer Baca took over the presidency of the House, which did not inspire the committee members to work with tranquillity and fully dedicate themselves to the work."

He thought that another reason why work was no longer done in laws of national interest was a lack of coordination in working jointly with the executive branch to assure that any law passed would benefit all sectors of the country.

"I consider," he said, "that if our efforts are not coordinated with those of the executive branch, which is the colegislative function, we shall be wasting our efforts, losing money and frustrating the people's aspirations.

"I continue to believe," Loor said, "that no matter what national government we have, legislative committees, whose only purpose is to legislate, must work jointly with the executive branch to have those laws become a reality."

He said that we should seek the most adequate exchange of ideas possible so that laws will be passed and will obtain the approval of the executive branch.

He said that the way to get on the right track is to pass laws such as those on animal health, plant life and forest preservation, the last of which could possibly save our country's economy many years hence.

He also said he hoped there would be agreement between the executive branch and the private sector and that, through the plenum, the House would pass laws of national interest.

He said that it is not proper for this emerging democracy to continue to ratify laws which will surely be vetoed. "We shall be reliving the periods when there was a struggle for positions, which destroyed the country's economy to a certain extent, for it created an atmosphere of confusion, especially in productive sectors, and this is extremely serious for a country like ours," he said.

CDP legislator Galo Vayas, former chairman of the budget committee, said he believed it has been rather difficult to head up this committee. "During the first year, we had to deal with problems brought to us by a new Constitution of the Republic so far as the budget was concerned."

He recalled that about 10 years ago the country's budget received special treatment. The budget committee was appointed and was made up of one representative from each province and 20 experts from the Ministry of Finance; in short, 40 persons constituted the technical budget committee. This committee presented the budget to Congress, since it is that body which ratifies and puts the budget into effect for the year in question. But by virtue of provisions 70 and 71 of the present constitution, priority and private powers are given to appoint the new directorate of the state budget. According to legislative provision, the budget proposal is to be presented by 10 July and goes to the budget committee. The budget committee has the competence and power to make any practical decisions with reference to the basic proposal in keeping with the state's administrative and economic policy.

"It is the budget committee which has the power to study, evaluate, analyze and approve and, if it is not in agreement, to request a special meeting to clear up any discrepancies in a single discussion," Vayas explained.

He noted that on two occasions unfinanced budget proposals were received. "It can certainly be said that it is a balanced budget, for arithmetically the receipts and disbursements match to the cent, but this is in keeping with budget financing.

"The fundamental question," he said, "is that receipts are overestimated to match with disbursements; there are entries which cannot physically be collected; figures which are in accordance with budget form but serve only to arrive at an arithmetic balance. In my opinion," he said, "a balanced budget is one which contains realistic entries under the headings of extraordinary and ordinary receipts, fiscal taxes and rates, and loans which agree exactly with the receipts planned for a given fiscal period."

Vargas said emphatically, "With true stoicism we have had to approve underfinanced budgets to avoid calling upon Congress which could only result in a deterioration of the executive power for having presented an underfinanced budget and of the legislative branch for wanting to concoct a budget in keeping with fictitious receipts."

He pointed out that the work is difficult inasmuch as the minister of finance has prevented all budget proposals from reaching the committee, even though, according

to the Constitution, the committee is obligated to receive and approve such proposals as in the case of CEPE [Ecuadorian State Petroleum Corporation], INECEL [Ecuadorian Electrification Institute] and others. We have given notice," the comptroller said, "that these institutions are operating with illegally approved budgets."

He said, however, that the mere act of approving the budget had left him with the satisfaction of having done his duty; in addition to the form itself, approval was given to the budgets of state-run and self-managed institutions as well as state firms *per se*.

He mentioned that an income-tax bill has been prepared on the basis of a thorough analysis of all the circumstances surrounding such a bill and based on a proposal sent by the executive branch.

Dr Marco Proano, former chairman of the civil and penal committee, said that the committee's work was carried out with a sense of responsibility and that the news media as a whole had always supported this committee with information and commentaries inasmuch as they considered the committee's work exemplary and an illustration of its constant effort during its 2 years of service.

"The committee," he said, "approved about 60 bills. To show that the committee worked, we have only to consider that of 60 bills approved 40 were ratified by the plenum and 6 were vetoed by the executive branch."

He said that, as a work method, the committee enjoyed the constant participation of sectors closely related to specific laws. "Before passing any laws, we invited the opinions of individuals in those sectors and decided on the basis of a concensus," he said.

He said that, in the opinion of one newspaper, just the passage of the Transit and Land Transportation Law took 2 years of legislative effort in Congress corresponding to 2 years in legislative committee.

8568

CSO: 3010/147

## BRIEFS

ATTEMPT ON ATTORNEY GENERAL--A foiled attack against the residence of attorney general Edmundo Duran Diaz was reported in Guayaquil. A bomb was mistakenly placed at the home of a resident of Guayaquil whose name is (Manichelo). Reliable sources reported that the criminals were trying to attack the residence of Jorge Duran Diaz, brother of the attorney general. A few days before, according to the report a well-dressed and very respectable-looking individual showed up at Jorge Duran Diaz' residence, trying to find out if the attorney general lived there. It seems that the individual who did the investigation made a mistake when giving the attacker the exact location of the residence that was to be attacked. The two buildings, the one belonging to Duran Diaz and that of (Mr Manichelo), are very much alike. The attack occurred at 0100 today. [Text] [PA130418 Quito Cadena Ecuador Radio in Spanish 2300 GMT 12 Nov 81]

WARNING TO PROTESTERS--After 1 week of violent street disturbances at least seven persons have been injured and approximately 100 arrested. The government denounced political manipulation in the disturbances and warned that as of today there will be stronger action to maintain order, but with respect for human lives. [Text] [PA121902 Quito Cadena Ecuador Radio in Spanish 2300 GMT 11 Nov 81]

SOCIAL SECURITY FOR PEASANIS--Ecuadorian President Oswaldo Hurtado approved the extension of the peasant social security bill presented by the national chamber of representatives. The law will incrementally extend social security protection to all members of communes, cooperatives, associations, committees and any other form of peasant organization. The law also includes benefits for illness, maternity and dental care for the whole family, as well as assistance for funerals and disability pensions. [Quito Cadena Ecuador Radio in Spanish 1230 GMT 13 Nov 81 PA]

NEW CFP LEADER--Rafael de la Cadena will serve as supreme director of the Concentration of Popular Forces [CFP] until 10 May 1982 at which time the national convention will elect the new party leaders. De la Cadena replaces the late Asaad Bucaram, who had been supreme director for approximately 17 years. [PA081139 Quito Voz de Los Andes in Spanish 1230 GMT 9 Nov 81 PA]

SUPPORT FOR NONINTERVENTION--Quito, 11 Nov (AFP)--Ecuador has reiterated its support of the principle of nonintervention and condemned the use of force or threats detrimental to the sovereignty of any country, during the visit to Quito by Thomas Enders, U.S. assistant secretary for inter-American affairs. Enders, who ended his visit to Ecuador yesterday, discussed with Ecuadorean authorities the existing critical situation in Central America. Ecuadorean Foreign Minister Luis Valencia Rodriguez pointed out to Enders the need for averting future fishing incidents between Ecuador and the United States, since these are obstacles in maintaining cordial relations between the two countries. Enders noted that competent departments of the U.S. Government are carefully studying this matter with the best intentions. Valencia reiterated the Ecuadorean Government's acknowledgement of the peace efforts undertaken by the United States, together with other friendly countries--Chile, Brazil and Argentina--in the armed conflict with Peru and said that Ecuador will pursue the search of a just solution which will finally end this problem. [Text] [PA121659 Paris AFP in Spanish 1604 GMT 11 Nov 81]

CSO: 3010/285

## D'AUBUISSON BLAMES PDC FOR COUNTRY'S ILLS

PA040250 San Salvador EL MUNDO in Spanish 2 Nov 81 p 2

[Text] When it is possible to carry out a genuine audit, it will be determined whether the nationalization of banking and foreign trade has been successful or a failure, Maj Roberto d'Aubuisson said at a supper held by his party, the Nationalist Republican Alliance (ARENA) in El Salvador's Sheraton Hotel on Friday.

The officer harshly criticized the Christian Democratic Party (PDC), accusing it of attempting to establish what it inappropriately calls freedom. He compared it to the Nationalist Democratic Union (UDN), the National Revolutionary Movement (MNR) and the FMLN.

Major d'Aubuisson noted that only now, when the Christian Democrats are in power, have they realized that their former friends and fellow travelers are communist.

He recalled that over 1 year ago, the nationalists had foreseen the worldwide threat of international communism and had alerted the people and friendly countries at the time. D'Aubuisson added that because of this, the nationalists had been subjected to an orchestrated attack: "We were called rightists, ultrarightists and coupists. Ironically, we were called coupists by members of a government that resulted from a coup d'etat."

D'Aubuisson said that never in El Salvador's history had there been an economic failure like the present one. He explained that foreign guest speakers had been invited to the supper because if Salvadorans were to express such theories on the economy and on defense against communism, they would be attacked. He was referring to the speeches made previously by U.S. Col Samuel Dickens and Guatemalan economic Juan Carlos Simmons.

The major said that his party's goal is to defend the fatherland from communism by means of a democratic and representative ideology, allowing power to remain in the hands of the people and respecting the individual. In the financial sphere, the party will promote a free-market economy. It will respect and support the armed forces and maintain freedom of religion.

D'Aubuisson rejected the PDC's disavowal of the "past 50 years," starting from the beginning of a series of military governments. He admitted that there had been defects, but noted that during that period there had been increasing prosperity. He mentioned the creation of the mortgage and central reserve banks, the loan funds as well as the development of agriculture, industry and other activities.

D'Aubuisson said that the PDC is responsible for the present political interventionism, because it is an international party. He added that the party seeks to dissociate itself, not from those "past 50 years," but from "the constitution, representative democracy and other values."

D'Aubuisson ended his speech with the phrase: "We shall triumph in life, but if not, we shall triumph even in death, because ideas cannot be killed."

The room in which the supper was held was full. The walls were adorned with red, white and blue flags. At the end of the evening the master of ceremonies said that the audience had been listening to "the future president of El Salvador."

(80: 101)

## MORE MILITARY AID SOUGHT AT ARMY CONFERENCE IN U.S.

PA051942 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT  
5 Nov 81

[Text] The 14th Conference of American Armies [CEA] opened behind closed doors at Ft McNair. Its main topic will be counterinsurgency and its main speaker will be the genocidal minister of defense of El Salvador, Col Jose Guillermo Garcia, who was specially invited to the conclave which will bring together almost all the commanders in chief of the armies of the continent, with the exception of Nicaragua. Even though Nicaragua is a member of OAS, it was not included because, according to the U.S. media, the invitations were the responsibility of the Pentagon which, as host, acts as secretariat of the conference.

The exclusion of Nicaragua, it was said, was agreed at the preparatory meetings by the heads of the military missions of the countries participating in the CEA and the meeting was organized by chiefs of the U.S. Army General Staff, among them General Meyer, to promote hemispheric cooperation to fight terrorism, subversion and armed insurgency.

The conference, which is being held in the shadow of the grave crisis in Central America and the increase of U.S. interference in the region, has given rise to rumors that the conclave will close with an agreement on sending a Central American force to pacify the region.

Rumors have gained force following the announcement that the genocidal Colonel Garcia will outline the situation of the war in El Salvador before the conference and that during his visit to Washington he will meet with Secretary of State Alexander Haig and Pentagon chief Caspar Weinberger.

According to Col Alberto (Pepe), armed forces press committee spokesman, the possibility of requesting economic and moral support or war materiel for the armed forces of the Christian-Democratic-military junta is not ruled out.

In his statement to the press (Pepe) did not rule out the possibility that after Colonel Garcia gives his reports to Haig, he will take the opportunity to secure an increase in Washington's military aid. It was also reported that the genocidal Garcia will present to the conference of armies a military report which (?could) be restricted for some military representatives who are sympathizers of the junta, that is, the friends of Duarte and the military clique, such as Pinochet, Videla and Stroessner.

In the face of the military advance of our forces, the dictatorship is still seeking more desperately the help of the Pentagon, the help of the Reagan administration, in the form of more arms for genocide. Meanwhile, our people are advancing militarily and by organizing in the rural areas and cities, are daily strengthening the people's power.

## FLMN STATION EXPLAINS NEED FOR PEOPLE'S COMMITTEES

PA061855 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT  
6 Nov 81

[Text] Do you know what the people's committees are? The people's committees are groups of neighbors who organize in communities, districts, cantons or villages to defend themselves from the kidnappings and murders committed by the genocidal Military-Christian Democratic Junta and to get ready for the decisive moments of our struggle to establish a revolutionary democratic government.

Who can join the people's committees? The people's committees can be joined by all those people who want to see our fatherland free from oppression and misery which is the result of the Military-Christian Democratic Junta and imperialism. Therefore, all students, peasants, workers, professors, employees, market vendors, newspaper boys, carpenters, [word indistinct], mechanics, housewives, in sum, all the heroic Salvadoran people can join the people's committees.

What should we do to form a people's committee? In order to form a people's committee we should first of all get in touch with a companero of the people's movement so that he can help us and tell us how to form a committee. If this isn't possible, we must begin some tasks so that when we do get in touch with a companero we will be ready. Some of these tasks are the following: 1) talk with our friends in the neighborhood, community or district about the difficult situation we are experiencing and propose that we unite and organize. 2) We must find out who are the informers and members of the paramilitary groups and death squads who live in our neighborhoods. We must make a list of their names and be careful regarding their vigilance. 3) We must meet in small and clandestine groups. If we don't have the guidance of a companero of the people's movement, we should form circles of listeners of Radio Venceremos which will be constantly giving guidance and instructions to the people. When we meet remember always to be watchful. 4) Let's begin to collect material such as bottles, nails, iron bars, sulphur, chlorate, [word indistinct], gasoline, bullets and [word indistinct], and if you can, have your pistol and ammunition ready.

Let's be listening to the instructions that will be constantly given over Radio Venceremos. Let's all organize in people's committees in neighborhoods, cantons and villages. Everyone get organized to be ready to fight and to achieve the release of our companero political prisoners.

CSO: 3010/290

## UPGRADING IN POWER OF POLITICAL FORUM ASKED

PA040135 Paris AFP in Spanish 2055 GMT 3 Nov 81

[Text] San Salvador, 3 Nov (AFP)--Several Salvadoran political parties "want to carry out a coup d'etat before the elections," according to Adolfo Rey Prendes, assistant secretary general of the Salvadoran Christian Democratic Party [PDC].

In statements to AFP Rey Prendes, who is also mayor of San Salvador, referred to a request made this morning by the Nationalist Republican Alliance [ARENA] to the armed forces high command to extend legislative powers to the political forum which was inaugurated here today.

During the morning the representatives of six political groups who met in the legislative assembly building presented their viewpoints on the social and political conditions for the elections slated for the first few months of 1982.

A total of 33 leaders from the PDC, the Salvadoran Popular Party, Democratic Action, the National Conciliation Party, the Popular Orientation Party and ARENA participated in the forum.

The forum will end on Thursday. It was called and is presided over by the Central Elections Council for the purpose of discussing a recently proposed election law.

Rey Prendes explained that initially all the participating organizations, including ARENA, agreed that the forum would only be deliberative and that its conclusions would be submitted to the civic and military government, which is now exercising the executive and legislative functions of government, only as "recommendations."

However, after five partisan leaders had spoken without altering their traditional positions, retired Maj Roberto d'Aubuisson, leader of ARENA, threatened to walk out with his group unless the forum immediately constituted itself as the sole director of the election process with powers to adopt resolutions.

"If this is not decided today I believe that we will submit a final protest because it would be the same to stay here and propose something that will not be adopted as it would be to walk out," said D'Aubuisson.

Both the left and the government consider D'Aubuisson one of the principal leaders of the extreme right. He justified his proposal as "the only way to dismantle a plot hatched by the PDC (now in power) and foreign agents to win the forthcoming elections or to prevent them from being held."

He accused the PDC of having caused the greatest economic chaos in the country's history in order to frustrate the election process and to hold a plebiscite instead "to perpetuate in the government the gentleman (Napoleon Duarte) who is now presiding over the government junta."

Rev. Frendes emphatically denied there was any truth in the charge, labeling it "absurd." He described it as an attempt to "grant the armed forces the power to make decisions in the political situation while we (the PDC) are trying to reappraise the function of the political parties."

"Some political parties and labor sectors are trying to carry out a coup d'etat before the elections and this is why they are demanding that the PDC withdraw from the government," he insisted.

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## FMLN RADIO SEES ELECTIONS AS PLAN FOR SUBJUGATION

PA062250 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT  
6 Nov 81

[Excerpts] Anyone who wants to become aware of the essence, the ideology, the injustice and the [word indistinct] of the present Salvadoran dictatorship will not have to make too great an effort. The dictatorship is portrayed full-scale on the highways, where youths are found decapitated. The dictatorship takes off all of its veils and disguises between the bloody walls of its clandestine prisons. It is revealed in its full dimensions in the cantons, where the forces of evil stab and machinegun women, senior citizens and children. It loses all of its blushes when yankee bombs are dropped over the peasant landscapes of Usulutan and San Vicente, where the yankee advisors are stamping the indelible mark of foreign intervention. The dictatorship becomes shameless when the yankee ambassador speaks over the domestic radio network to issue his dictates. The dictatorship and its corrupt system are revealed in the newspaper pages that hide the truth from the people, but that nevertheless reveal the entire fascist ideology that sustains this system of exploitation and misery. These are newspaper pages in which the system is unashamed to show a photo of Guernica, where the pain of the Spanish people was caused by Nazi bombs. Yet, these Salvadoran papers extol Hitler's legion of the condor. These are newspapers that will never denounce the death squads, but carry frontpage headlines defending the Somozist criminals who escaped from Costa Rica to take refuge under Duarte's protective wing.

The history of mankind will never be able to pardon Jose Napoleon Duarte for carrying out this bloody farce, for implementing the plans of imperialism, which are designed to maintain its domination over Central America and, incidentally, to maintain the political and economic plan of the same oligarchy that for 50 years has preserved its privileges in El Salvador with blood and fire.

The imperialist maneuver is clear to our people. In the face of the revolutionary forces' military advance, in the face of the high level of our people's awareness, this macabre plan of elections, this electoral farce, has been formulated in order to maintain, under the guise of a false democracy, the same situation of exploitation, misery and subjugation that our people have endured for 50 years.

The imperialists are trying to give the impression that there is a free interplay of opinions in the country, that several alternatives and several political and economic options are open to our people, but our people have unmasked the dictatorship, the imperialists and the oligarchy once and for all. D'Aubuisson, Medrano and Duarte are one and the same thing. They represent the same bloody plan to maintain the structures that have oppressed our people for the past 50 years.

During the national forum, there was not the slightest indication of a serious plan, of an option for the country that would allow us to emerge from chaos and from the bloodshed in which imperialism maintains our people.

CSO: 3010/290

## BRIEFS

SUCHITOTO SEIZURE--The army said yesterday that it has adopted strong precautionary measures in view of the clandestine organizations' plan to seize Suchitoto. A military source said that information gathered by the army indicates that these groups plan to seize Suchitoto and that, consequently, vigilance will be maintained to safeguard the tranquillity of the town's inhabitants. The army spokesman said that the plan included seizing the town and making its residents flee by means of threats and terrorist attacks against private citizens, facilities, stores and so forth. The spokesman added that the activities that these groups have been carrying out against the town, such as the bomb explosions, destruction of electric generators, machinegunnings and other actions aimed at sowing panic and confusion among Suchitoto's inhabitants are part of this plan. The source said that the town has been subjected to terrible harassment lately, adding that terrorists fired weapons of all calibers, detonated powerful bombs and cut off power and water service between 0500 and 0530 yesterday. No personal injuries were reported because the army repelled the attack. [Excerpts] [PA081955 San Salvador LA PRENSA GRAFICA in Spanish 8 Nov 81 pp 3, 5]

CHEMICAL WEAPONS--The Costa Rican Committee of Solidarity With the Salvadoran People has accused the U.S. Government of supplying the Salvadoran regime with chemical and bacteriological weapons that are used against the defenseless people of that Central American country. The committee added that the indiscriminate and brutal use of 210 kg bombs of white phosphorous, napalm and the deadly agent orange has caused hundreds of victims among the rural population of the departments of Usulutan and San Vicente where the dictatorship has recently intensified bombings. The committee said that in view of the extensive aid that Washington gives to the military-Christian Democratic regime, more than 30,000 Salvadoran civilians have been killed and there are almost 300,000 refugees. It also stressed that several diseases which have appeared in El Salvador in the past few days are the direct result of the bacteriological warfare that the Salvadoran military authorities and their U.S. advisers are carrying out in the country. [Text] [PA061956 Havana International Service in Spanish 1600 GMT 6 Nov 81]

CSO: 3010/290

## MLN DEPUTIES EXPRESS SUPPORT FOR GOVERNMENT

PA042158 Guatemala City PRENSA LIBRE in Spanish 30 Oct 81 p 13

[Excerpt] Deputy of the National Liberation Movement [MLN] has issued a resolution unanimously approving the recommendation that the executive branch investigate the organized guerrilla attacks night before last at government installations in Solola, Mazatenango and Escuintla, in order to find a way to eradicate subversion.

During these incidents--the preamble of the approved resolution states--several persons were killed and many wounded, leaving many families in mourning, children orphaned and mothers impoverished widows.

Therefore, it recommends that the executive branch, through the government ministry, conduct an exhaustive investigation of these incidents.

Furthermore, the Congress of the Republic offers the government its total support in all the measures adopted concerning this problem. The executive branch will receive a copy of the resolution for its knowledge and action warranted.

Deputy Leonel Sisniega Otero, on referring to the incident said:

--We are faced with a movement that is attempting to destabilize the institutions. Guatemalans are being sacrificed, he added, and not only military installations are attacked, but they have also attacked buses and private individuals who were going to recreation sites.

--Last night's attacks were staged by rebels against military groups which have elements to impose order.

--The military sector of Mazatenango was assaulted and there are no indications that those responsible have been pursued or have sustained casualties. We ask that these incidents be investigated, otherwise one will not be able to transit on those highways.

--We must give our absolute support to the authorities, he stressed, so that they can fulfill their mission and manage to exterminate the groups that seek to destabilize Guatemala.

CSO: 3010/289

## CUBAN-JAMAICAN BREAK HURTS CARIBBEAN

FL091752 Bridgetown CANA in English 15151 GMT 9 Nov 81

[Text] Georgetown, Guyana, 9 Nov (CANA)--The official opposition People's Progressive Party (PPP) in Guyana says Jamaica's decision to end diplomatic relations with Cuba was a disservice to the Caribbean and had been engineered by Washington. The move was "an infamous act hatched in Washington" and "a severe blow to the concept of Caribbean unity which at present is fragile," the leftist PPP said in a weekend statement.

The Jamaica Government ended diplomatic relations with Cuba on 29 October amid charges that Cuba was giving refuge to three wanted Jamaican criminals and had refused to return the men. The Cubans have dismissed the Jamaican reasons for the step.

The PPP said that the Jamaican Government's action must be seen in the same light as the suspension of diplomatic relations with Cuba by Costa Rica, Colombia and Venezuela, and was part of the U.S. Government's plans to isolate and attack the Cuban revolution. "Once again, as in the early 1950's, Caribbean leaders are falling victim to U.S. cold war pressures and betraying the Caribbean people's aspirations for economic and social progress," the PPP statement said.

The PPP said it rejected the ruling PNC [People's National Congress] government's view "that Jamaica is a sovereign state free to take its own position" adding that "after all Jamaica is a member of the Caribbean Community and what Jamaica does can affect the whole Caribbean." The PPP also said it was important to recall that Jamaica, Guyana, Trinidad and Tobago, and Barbados had jointly opened diplomatic relations with Cuba in 1972.

The PPP called on Caribbean people's to express what it called militant solidarity with Cuba and condemn the Seaga government for "not only doing a disservice to Jamaica, but also to the Caribbean family of nations."

CSO: 3020/1006

COUNTRY SECTION

HONDURAS

BRIEFS

HUMAN RIGHTS COURT RECOGNITION--Honduras has recognized the jurisdiction of the Inter-American Human Rights Court through Decree No 51, a copy of which was submitted to OAS secretary general Alejandro Orfila by Honduran ambassador to the OAS Col Diego Landa Celano in Washington. [PA090031 Tegucigalpa Domestic Service in Spanish 1130 GMT 6 Nov 81 PA]

CSO: 3010/289

## BAUXITE PRODUCTION DROPS, EXPORTS INCREASE

FL091946 Bridgetown CANA in English 1750 GMT 9 Nov 81

[Article by Paget Defreitas]

[Text] Kingston, Jamaica, 9 Nov (CANA)--Jamaica's bauxite production, excluding amounts stockpiled locally, fell by 100,000 tons during the third quarter of this year compared with the same period in 1980, the Jamaica Bauxite Institute (JBI) has reported. The reduced output is a reflection of the local industry's response to a soft international alumina and aluminum market. Since the second quarter, after record first quarter production, the bauxite/alumina companies here have been reducing their production targets.

The JBI said that 3 million tons of bauxite were "disposed of" (either exported or refined locally) during the January to September period, against 3.1 million tons over the same period last year. Despite the slippage, which is expected to continue to affect the industry even after the fourth quarter, bauxite output was still running 3 percent ahead of the first 9 months of last year--9.1 million tons against 8.9 million tons.

The main area affected by the slow-down on the aluminum market was ore exports, which in the third quarter fell by 8.6 percent, to 1.4 million tons, when compared with last year's third quarter. For the entire 9-month period ore shipments were 4.4 million tons, 2.7 percent down on the corresponding period in 1980.

At the same time, however, alumina shipments in the third quarter at 638,000 tons were 4.6 percent up on the amount for last year's third quarter, and for the 9 months, the shipments were 1.9 million tons or 9.1 percent better than the January to September period in 1980.

Although bauxite output for the first 9 months of this year was slightly better than for the same period in 1980, total 1981 production is expected to end below last year's figure. Jamaica last year produced 11.9 million tons of bauxite, the best since the record 15 million tons of 1974, and officials, after an encouraging start to the year, were predicting an output of 12.4 million tons. But with the series of cutbacks introduced, the firm's output is expected to be about 11.5 million tons.

CSO: 3020/1006

COUNTRY SECTION

JAMAICA

BRIEFS

INVESTMENT PROJECTS--The Overseas Private Investment Corporation, OPIC, has concluded arrangements for 15 projects in Jamaica. The projects, scheduled for investigation and implementation, range from (?agro)-business and food production to manufacturing and tourism and the establishment of programs to evaluate manpower capabilities and training programs and strengthening the rural farm system. This was announced this afternoon by Prime Minister Edward Seaga in a press conference at Jamaica house. [Kingston Domestic Service in English 0000 GMT 7 Nov 81 FL]

CSO: 3010/1006

## PEOPLE'S SOCIAL CHRISTIANS PROPOSE NEW DIALOGUE

## New Dialogue

PA050327 Paris AFP in Spanish 1907 GMT 4 Nov 81

[Text] Managua, 4 Nov (AFP)--The People's Social Christian Party [PPC] has proposed that several Nicaraguan groups hold a dialogue to discuss the country's economic and political situation.

Edgar Macias, deputy labor minister and PPC president, said that the proposal was accepted in principle by the Independent Liberal Party, the Nicaraguan Socialist Party, and the Nicaraguan Democratic Movement headed by former junta member Alfonso Robelo.

"It is a question of finding a formula so that the revolution can continue advancing at the lowest possible social, political and economic cost," said Macias when he announced that the labor federations, professional organizations and the church will also be invited to participate in the dialogue.

Macias and a group of PPC leaders will meet today with the Nicaraguan church hierarchy and later with the representatives of the Democratic Conservative Party and the Social Democratic Party.

"We believe that will also receive the approval of the FSLN, although we have not yet met with its political commission," said Macias.

The first meeting of all the sectors invited to the "national meditation," has been scheduled for 15 November. The date could change according to the proposals of the participants, it was said.

The new attempt at dialogue was defined by Macias as very different from the one which was frustrated several months ago when the so-called forum for discussion of the national problems failed.

The first forum, which was attended by the opposition parties--the so-called dissidents--And those who support the revolutionary leadership, did not manage to reach even a minimum consensus.

The Social Christian leader said that this time an effort will be made to thoroughly analyze the country's problems in order to achieve specific decisions and measures.

According to Macias the dialogue will be held in private joint sessions and in public sessions, the latter will serve to announce minimum understandings and the measures to be adopted.

The country's laws, labor discipline and productivity will be among the subjects discussed in order to find effective ways to promote the reconstruction process in the political, economic and social development of Nicaragua, Macias said in conclusion.

#### CUS Supports Dialogue

MANAGUA: Nicaragua Radio 1000 ration in Spanish 1200 GMT 6 Nov 81

[Text] The country's patriotic sectors continue to express their support for the national dialogue proposed by the People's Social Christian Party through its president, Figar Macias.

The Confederation for Unity of Trade Unions [CUS] is one of the national organizations that has expressed itself in favor of the dialogue as a means of finding solutions to the national crisis.

[Text] This is CUS secretary general Jose Espinosa's statement in this regard:

[Text recording] This is a need. Today more than ever before, we must act patriotically and seek points of concurrence. The patriots among us must continue this. We don't think our problems will be solved through diatribe or ideological discussions. They will be solved if we get to the bottom of them. And that can only be done in a specific, honest and well-intentioned manner.

[Text] I think that all sectors currently in Nicaragua, all those who stayed here in Nicaragua, have proven their honesty and good intentions. So I do not think it will be difficult to reach agreement and to find points of concurrence, as well as solutions to our current national problems. [end recording]

#### PSN Welcomes Dialogue

MANAGUA: Nicaraguan Socialist Television Network in Spanish 0200 GMT 6 Nov 81

[Text] The People's Social Christian Party's [PPSC] proposal that a new path to national salvation among all the political, union and business sectors be sought has been welcomed by the Nicaraguan Socialist Party [PSN]. Here is PSN secretary general member Luis Sanchez Sainho with further details:

[Text recording] In regard to the PPSC proposal that reflection be given to our country's political and economic problems and specific solutions be sought,

we think that this initiative should be taken into account. It can become an important contribution to the solution of our current difficult situation, both domestically and in its foreign projections.

We think, however, that a basic framework of conditions should be established before undertaking this event. This basic framework should be founded on three basic developments: firstly, all of the country's economic, social and political sectors should recognize the strategic goals and the immediate current tasks outlined by the revolution. Secondly, all sectors should become fully aware of the serious threats that exist, in terms of external aggression and counterrevolutionary actions in the interior. Thirdly, a commitment should be made to accommodate all social and political activity to the needs of the defense, the fatherland, the country and the revolution and to the limitations imposed by the current state of economic and social emergency.

As for the idea proposed by Robelo and the Nicaraguan Democratic Movement [MDN] for a political moratorium that would freeze and postpone all activity of this type until some of the fundamental reconstruction tasks are fulfilled, in order to arrive at an electoral process, we are currently studying the concept. We understand that if the dialogue is held, the MDN will make this proposal there and will explain it. In any event, we are studying and analyzing this idea. Our position, however, will be adopted in accordance with the conditions and the framework I noted at the beginning. [End recording]

#### PCD Unwilling to Participate

FM072011 Managua Radio Corporacion in Spanish 1200 GMT + Nov 81

[Text] It was officially announced last night that the Democratic Conservative Party [PCD] will not participate in the so-called reflection meeting being promoted by the People's Social Christian Party. The party's executive council did not participate in the previous dialogue to find solutions to the political, social and economic problems currently afflicting Nicaragua.

We have received an invitation to attend the meeting, said a party spokesman, but we believe it will not get us anywhere. We consider, said the Democratic Conservatives, that we already have well-defined experience in this issue and this is clear, seen with the absolute failure of the national forum. If on that occasion, we did not participate because we did not trust it, stated our sources, much less will we participate now that it has less force.

Both the Christian Democracy, the national coordinator, and the Alliance could not be reached prior to this report.

#### Carry's Pino Fund Criticized

FM072011 Managua 1010 Radio in Spanish 1200 GMT + Nov 81

Carry's Pino Fund, a group of the People's Social Christian Party (PPS), are critical of the People's Conservative Party (PCD) on several items. The PPS believe that the PCD is not interested in political reflection.

At the same time, Macias criticized the statements made by Rafael Cordova Rivas [word indistinct], who dismissed the PPSC's initiative. Here is what Macias said:

[begin recording] Only one party has rejected our proposal: the PCD.

Question: Rafael Cordova Rivas has expressed skepticism about your proposal on behalf of the PSD. Can you tell us something about this?

Answer: We find strange the negative position Cordova has assumed in regard to the efforts toward reflection which have been made by the organizations which are interested in looking for rational methods of understanding for the sake of the nation's unity and peace. We also feel that his position is inopportune. He does not call the holders of these views prisoners of the past. He is trying to minimize the political parallelism that existed in the past between Somoza's right and the conservative party of that era. We feel that this is no longer possible because he regard the FSLN as a completely different organization.

#### PSD on Meeting With PPSC

Wilfredo Montalvan, Radio Corporacion in Spanish 1200 GMT 7 Nov 81

[begin recording] I will now present statements by Wilfredo Montalvan, secretary general of the Nicaraguan Social Democratic Party [PSD], analyzing yesterday's meeting with a delegation from the People's Social Christian Party [PPSC], which is promoting a meeting for reflection and convergence of the nation's various sectors.

[begin recording] The PSD has been promoting bilateral meetings with political parties in connection with the possibility of holding a meeting for reflection and convergence.

In the delegation was composed of Edgar Macias, Mr Guillermo Mejia and (word indistinct) (word indistinct). The PSD was represented by Dr Luis Rivas Leiva (word indistinct), Carlos Barpacioli, (Mario Alfaro Alvaredo) and (Rodrigo Barpacioli), in addition to myself.

We told the PSD members that as a civic [word indistinct] party, we have always been in dialogue. We believe that this is the best way to find solutions, without great sacrifices, to the great problems afflicting our people.

For this purpose, we agreed to their visit. In our talks we noted that we made their concern about the crisis and the dangers threatening the nation. We also expressed our skepticism, because of the [word indistinct]. It is well known to all Nicaraguans that we have previously held dialogues that produced terms in which agreements were reached, but that, unfortunately, the PSD leadership never complied with them.

Thus, we consider it advisable and necessary to establish several foundations to create the necessary environment for producing a truly national encounter, which would merit the intention of the Nicaraguan people.

Because of previous experience, the FSLN has lost quite a bit of credibility; thus they, as the government, as the true power in Nicaragua, should demonstrate in practice that they have the political will and the true intention of complying with any agreements reached. [End recording]

PSD Presents Conditions

PA090233 Managua Radio Corporacion in Spanish 2200 GMT 8 Nov 81

["Social Democracy in Action" program, with Nicaraguan Social Democratic Party [PSD] leaders Luis Rivas Leiva, Mario Alfaro Alvarado and Guillermo Potoy in a "roundtable discussion"--live]

[Excerpt] [Alfaro] Before beginning our roundtable discussion, we want to inform our listeners that there is a new attempt to try to solve the serious Nicaraguan problem. The problem is serious and complex, because it involves political, economic and social areas and because it seems to be constantly getting worse.

Previous attempts to reach some understanding and to have all democratic organizations participate with the government in solving or ameliorating, to a great extent, the various problems we are confronting have failed. They have failed--and why not say it?--simply because the FSLN has not fulfilled its commitments.

First, it met with the members of the Higher Council of Private Enterprise [COSEP]; this was last year. When COSEP spoke of elections, the reply was that there would be no elections in Nicaragua, there would be no playing at elections, any elections must be held in the way the Sandinists want and similar arguments.

Later, an agreement was reached with the MISURASATA [Miskito, Suma, Rama, Sandinist Unity]. The result was that the agreement was not honored; Fagoth, chief of the MISURASATA, was imprisoned and persecutions took place and problems arose.

Finally, we had the forum, in which political parties mobilized, but only political matters, from a more extensive program, were discussed. The whole agenda was not discussed because the Sandinist Front lost interest in it and simply suspended the discussions.

Now, the People's Social Christian Party [PPSC] has made a proposal that has been well accepted by our party. We are willing to go along with it, avoiding any possible obstacles and facilitating the process, to see if this time we can reach an understanding, or the principles of an understanding. Logically, the FSLN must participate in this, because they are in power and without them there will be no solutions.

Also logically, the evils, errors and mistakes must be blamed, to a great extent, on the government party. Therefore, if we seek a solution in which all of the country's organizations can participate, it will depend to an equal extent on the good will, patriotism, unselfishness and good faith of the incumbent party. Let us see if we reach that point.

At the outset, the bilateral talks between the PPSC and the other parties seem to be going well. We are now going to give the microphone to Guillermo Pintov, so that he can outline the PSD's position, developed during a meeting with the delegates for discussion of this matter.

Guillermo, as you have properly said, our experience in talks and forums has been negative in terms of results. The democratic parties and their adjuncts have expressed their good will and have shown maximal cooperation in these events, all of which had negative results.

With the PSD dialogue and that with the MISURASATA were negative. Under these conditions and with this background, we must create a climate and a willingness to move forward to this with this meeting, seeking real solutions and the implementation of all agreements we reach. However, for this [words indistinct] the PSD are aware of past experiences and we want the people to have confidence in the negotiations. We must have a proper climate, as is sought by all parties.

Therefore, we met yesterday with the main PPSC leaders, including Edgar Macias, Guillermo Pintov and Cesar Delgadillo. Naturally, we welcomed their invitation and were convinced that this dialogue must be held. However, to be sure that it did not end in null and positive results, we need proof of the FSLN's good intentions. That can be proven only with facts and some simple things that are really essential to creating the necessary atmosphere and building confidence among the people. We have established five points that we believe are essential:

1. The immediate release of the prisoners belonging to the communist party, the Federation of Catholic Workers and COSEP;

2. Abrogation of laws and decrees that limit the freedom of expression and information;

3. Abolition of the curfew by mass organizations of democratic sectors and the Catholic Church;

4. Abolition of legislation of laws intended to guarantee the stability of the political system;

5. Abolition of the foreign sector, so that they can work efficiently and without undue influence in our production.

Guillermo, you are invited, when the promulgation of the law for foreign companies.

On the other side, which would benefit Nicaragua greatly and would contribute to creating a favorable climate for this dialogue,

### Opposition Group's Declaration

PA090001 Panama City ACAN in Spanish 2310 GMT 8 Nov 81

[Text] Managua, 8 Nov (ACAN-EFE)--Eight opposition political, labor and business groups in this country issued a declaration today of their willingness to "overcome all of the crises that afflict the country on the basis of the national reconstruction government program."

The groups state in the document that achievement of "the economic and social recovery of Nicaragua in all respects continues to be the duty of all Nicaraguans, particularly of those who make up the government."

The leaders of the Nicaraguan Workers Federation, the Confederation for Unity of Trade Unions and the Social Christian Party support the declaration.

The Nicaraguan Democratic Movement, the Social Democratic Party, the Constitutional Liberal Movement, the Democratic Conservative Party and the Higher Council of Private Enterprise also signed the document.

"We reaffirm our willingness to cooperate in formulating a policy designed to overcome all of the crises afflicting the nation, a policy based on the national reconstruction government program, the basic statute and the statute of rights and guarantees of Nicaraguans," the opposition states.

The opposition charges that independent labor unions, churches and political parties "have long been subject to aggression from the institutions and organizations controlled by the FSLN."

They also stated that on various occasions they have voiced "disagreement with the direction being given to the Nicaraguan revolutionary process."

The opposition states that they have asked for fulfillment of the national reconstruction government program, the basic statute and the statute of rights and guarantees of Nicaraguans, "which brought about the unity of all Nicaraguans at the outset of the revolution."

The declaration is being published at a time when preliminary meetings have been held to organize a meeting of reflection and convergence that will seek a solution to the nation's problems at the lowest political, economic and social cost and that will, at the same time, propel the revolution forward.

The People's Social Christian Party [PPSC], which initiated the plans for the meeting of reflection, has been meeting with opposition politicians.

The PPSC will announce the results of the talks tomorrow.

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## LABOR AGENCY REPORTS ON UNEMPLOYMENT PROBLEM

Managua EL NUEVO DIARIO in Spanish 12 Oct 81 p 11

[Text] The inspector general of the Labor Ministry reported that so far this year temporary layoffs have affected more than 8,000 workers all over the country in various areas of endeavor.

In this regard, Rene Cruz, head of the Inspector General's Office, stated that 6,366 workers have been affected by the layoffs in the 12 mines operating in this country; 875 in industry; 239 in construction; 20 in business; and 297 in unspecified areas.

Cruz said that 6,178 workers have been affected in the Carazo area because of the completion of the coffee renovation project under the CONARCA [National Commission for Renewal of Coffee Plantations] program. However, these workers will be incorporated in the coffee harvesting, as they have always been; thus their jobs will be secure for the coming months.

In Managua, according to the report of the Office of Inspector General of the Ministry of Labor, 869 workers have been affected by the temporary layoffs. The inspector general said these workers should show a high sense of patriotism by reinforcing the coffee harvest until they are called back by their companies. In addition, by participating in the coffee harvest they will make the economic recovery easier and hasten the normalization of the companies or industries that have had to take these measures.

## Coffee Harvesters

In turn, the official in charge of assigning workers to the coffee harvest said that the reason for creating this office in the Ministry of Labor was to tabulate and record the number of workers sent to the harvest.

This office, said Ricardo Lanuza Montenegro, is in charge of receiving requests from employers and workers and arranging the corresponding assignments in the coffee-producing departments.

It should be stated that the work of compiling data on the labor force is being coordinated by the ATC [Agricultural Workers Association] and the Sandinist Workers Federation [CSF] to organize the assignments of those who wish to join the harvest of the golden bean.

"To date," Lanuza said, "no employer has come to the offices of the Ministry of Labor to request harvesters in the employment and wage office."

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CSO: 3010-166

## POPULATION STATISTICS FOR COUNTRY REPORTED

Managua EL NUEVO DIARIO in Spanish 29 Sep 81 p 9

[Text] How many inhabitants does Nicaragua have at present? Actually, except for high school students and certain professionals, very few citizens could give a rough estimate in answer to that question.

Nevertheless, the latest bulletin from the Institute of Statistics and Census undertakes to dispel this mystery by revealing that we are about to reach 3 million inhabitants.

Specifically, the report says that the number of inhabitants of Nicaragua in 1980 was 2,732,000.

Managua Close to 1 Million

Another interesting fact furnished by the report is that the capital city is coming close to 1 million inhabitants since it had 781,000 by the end of last year.

After Managua, the most densely populated departments are Leon with 243,000 inhabitants, Chinandega with 220,000, Matagalpa with 217,000, Zelaya with 193,000, Masaya with 146,000, and Jinotega with 121,000.

On the other hand, the department with the smallest population is Rio San Juan, with only 27,821 inhabitants.

With regard to age groups, it is clear why the Sandinist people's revolution was forged principally by the youth; no fewer than 81 percent of our population is 24 years of age and under.

The report reveals that by 1980 there were 368,000 persons from 0 to 3 years of age; 289,000 from 4 to 6 years; 512,000 from 7 to 12 years; 393,000 from 13 to 18 years; and 272,000 from 19 to 24 years.

However, the most numerous population group was that between 25 and 64 years of age with 813,000 persons.

## Few elderly People

The elderly, on the other hand, are the least numerous as there were only 82,795 persons in 1980.

It is also indicated that perhaps because of the use of contraceptives in the last decade the over-all birth rate declined from 53.4 percent in 1970 to 44.6 in 1980.

9115

CSC: 010-16

## ENCAFE OFFICIAL DISCUSSES COUNTRY'S COFFEE QUOTA

Managua EL NUEVO DIARIO in Spanish 2 Oct 81 p 11

[Text] Jose Angel Buitrago, head of ENCAFE [National Coffee Enterprises] reported on his return from the annual meeting of the International Coffee Organization (ICO) in London that Nicaragua succeeded in obtaining a quota of 92,400,000 pounds of coffee, which will be sold in four portions to member countries of the ICO.

Buitrago estimates production for the 1981-1982 season at 125,000,000 pounds.

The surplus coffee not sold to ICO member countries will be marketed in the countries of the communist bloc.

#### The Price

Buitrago said better quotas were negotiated this year, and the pricing system agreed on between producing and consuming countries ranges from \$120 to \$140 per hundred pounds.

If prices rise above \$140 per hundred pounds the ICO will be able to grant an additional quota of 1 million sacks of coffee, and in the event prices fall, it will do the opposite, that is, reduce the quota by a million sacks.

The head of ENCAFE indicated that the Central American countries, Mexico, Peru, Ecuador, and the Dominican Republic joined together this year to fight for the privilege of selling their coffee as a group and thus obtain better prices.

Through their delegates, these countries committed themselves to maintaining unity and improving communications with each other.

#### \$123.50 Last Year

In the 1980-1981 season Nicaragua was able to sell its estimated production of 1 million pounds at an average price of \$123.50 per one hundred pounds, which is considered the best price of all the Central American countries.

Buitrago recognized that production costs are increasing each year while market prices remain static.

ENCAFE estimates that production costs per one hundred pounds of coffee come to 1,000 cordobas, and there are cases, depending on the degree of mechanization, where they rise above 1,000 cordobas.

He announced that ENCAFE will continue to pay 1,000 per one hundred pounds for export-quality coffee delivered in Corinto, and it will decide on the contribution each producer will make, subject to prices, to the Coffee Price Stabilization Fund, which has been a lifesaver to the producers.

#### There Is No Labor Problem

In reply to questions from reporters, Buitrago assured them that for the moment there were no serious problems in harvesting the coffee in the northern and Pacific Coast regions, where mature beans are being cut.

He issued a call to the public to be ready to join in picking coffee beans in the event it is necessary to harvest in December.

~~He said~~ that the critical time for harvesting mature coffee beans will be in the middle of December. He reiterated that coffee has been the foremost export product since July 19, 1979.

## ARCE TRIP TO GDR TERMED 'FRUITFUL, POSITIVE'

PA281432 Managua Radio Sandino in Spanish 1200 GMT 27 Oct 81

[Text] Berlin--The visit to the GDR by an official Nicaraguan delegation headed by Bayardo Arce, commander of the revolution and coordinator of the political commission of the FSLN, has been described as highly fruitful and positive.

Commander Arce, who has toured several socialist countries in Europe, ended a 5-day visit to the GDR during which he met with several of that country's leaders, such as Erich Honecker, secretary general of the Socialist Unity Party of Germany, who reaffirmed the solidarity existing between the peoples of Nicaragua and the GDR.

During their talk, the two leaders emphasized the need for the forces of progress and peace to take action to end the arms race unleashed by the present government of the United States.

Similarly, they noted the determination of their two nations to dedicate their best efforts to the attainment of world peace and stability.

Arce was also a guest at Socialist Unity Party Congress, where he outlined the dangers and the internal and external pressure to which Nicaragua in particular and the Central American countries in general are being subjected.

Arce denounced imperialist aggression even in the mining district of (?Cottbus), where he explained to workers the real situation prevailing in the country. In return, he received emphatic pronouncements of support.

During this meeting, the member of the FSLN National Directorate stated in the record book of a German workers' brigade: In every part of the GDR, we have noted firm links of fraternity and solidarity with Nicaragua, which gives us new strength with which to successfully defend the triumph achieved on 19 July 1979.

The Nicaraguan delegation headed by Commander Bayardo Arce also visited textile factories, farms and housing centers, where he clearly defined the aggressive and harmful political situation in which imperialism has placed us. He continuously received pledges of solidarity with the Nicaraguan process.

## LA LIBERTAD MINE REOPENED AS PEOPLE'S ENTERPRISE

PA031231 Managua Radio Sandino in Spanish 1800 GMT 2 Nov 81

[Text] At the reopening of the La Libertad Mining Complex in Chontales, Rafael Cordova Rivas said that now that these mines are ours we swear that they will never again be exploited by hands that are not Nicaraguan, or for the benefit of anyone other than Nicaraguans.

With the aid of the Swedish Government, which gave \$10.5 million and technological assistance, the reopening of the La Libertad mining complex in Chontales, a People's Property Area (APP) enterprise, was possible. This mining complex had been closed ever since the former owners abandoned it.

The event was covered in a simple ceremony yesterday at which Rafael Cordova Rivas, member of the government junta, and Alvaro Guzman, mines minister, spoke. The Santa Elena, (Babilonia), (La Anchura), El Mojon, San Juan and Santa Maria mines are part of the complex. The monthly production capacity of the complex is calculated at 300 ounces of gold and 450 ounces of silver. It provides work for some 100 workers.

The reopening of this complex means a possible income for our country of approximately \$1.5 million per year from gold exports alone.

The workers at the complex have formed different quality control committees for the areas of geology, metallurgy, maintenance, administration and construction, all of which are subordinate to the workers general assembly.

During the brief inaugural ceremony Dr. Rafael Cordova Rivas said that these mines would never again be centers of exploitation but centers of work for the benefit of the people of Nicaragua. He reaffirmed that they will never produce for the benefit of anyone, other than the people of Nicaragua.

Mines Minister Alvaro Guzman, recalled the Sandinist heroes (Rigoberto Cruz), (Pablo Ubeda) and (Jose Ramon Gonzalez). Gonzalez was killed at the La Libertad mine.

CSO: 3010/294

## JULIO LOPEZ TRIP TO WASHINGTON DEFENDED

PA041728 Managua Radio Sandino in Spanish 0300 GMT 3 Nov 81

[Station commentary: "Sandinism Is a Synonym for Dignity and Patriotism; Only Political, Eunuchs and Moral Pygmies Can Doubt This"]

[Text] Trapped in the snares of the dying regime of exploitation and oppression which suckles them, the local bourgeois reactionaries are constantly forced, due to their contradictions, to play a ridiculous role. As a result, their official and unofficial spokesmen commit abuses which unmask them as the U.S. imperialism's tools of domestic destabilization and provocation.

Our people witnessed the parade of the Robelos, Montalvans, Fletes, Gonzalez and other specimens of the reactionary fauna, among whom the associates of LA PRENSA cannot be forgotten. As an organized troupe, they have paraded through various countries of the world, spreading slander and lies against the Nicaraguan revolutionary process in order to smooth the way for intervention in Nicaragua and Central America.

For those antipopular and antifatherland spokesmen, the dirty and shameful tasks which they have been given by the enemies of peace and stability in the area cannot be criticized or condemned since they don't even know the meaning of dignity and patriotism.

However, for the Robelos, Montalvans, LA PRENSA and other antirevolutionary and anti-Sandinist sores, the fact that the Sandinist people's revolution, an example of dignity and patriotism and filled with the moral authority that its unwavering political conduct gives it, has dared to go to the bowels of the monster to explain the truth of the struggles of the peoples of the region and to insist to the various U.S. sectors about the urgent need for a political solution of the Salvadoran conflict, is antinationalist, antiimperialist and anti-Sandinist and deserves an eight column criticism in the newspaper of infamy.

This is a natural way for the slanderers and liars to act. They are afraid of the truth of the revolution and know that the voice of the revolution has sufficient moral strength to crush with its words all the malice and slander of the campaign orchestrated by imperialism which they support. This campaign has been unleashed against the solution of the sociopolitical crisis being experienced by our peoples.

Only the political eunuchs and the moral pygmies who have never had any nationalistic, revolutionary or Sandinist conscience can question the political honesty, the revolutionary firmness of the heirs of Andres Castro, Benjamin Zeledon, Augusto Cesar Sandino and Carlos Fonseca. If anything is clear from the visit to Washington of comandero Julio Lopez, in charge of the international relations department of the FSLN and a member of the FSLN National Directorate, it is the absolute desire for peace of the Nicaraguan people which has been expressed by the national directorate of our vanguard. It is the Sandinist people's revolution's decision to go to hell if necessary to carry the revolutionary truth of our peoples, to bravely struggle for stability and peace in our region. It is the search for an honorable peace, a peace with freedom and not a peace of cemeteries, not a peace of the submissive and not the peace of those who yield and surrender to imperialism.

The ridiculous eight column criticism which tries to question the moral integrity of Sandinism has become a boomerang against those criminal politicians who despite their experience, have yet to learn that the sons of Sandino don't ever surrender or sell themselves, that Nicaragua and its people, that the revolution and its vanguard are ready to exhaust all necessary efforts to strengthen and consolidate the peace that we need to build the society without exploiters or exploited which Carlos dreamed about. With this same determination, we are ready to continue onward, facing the difficulties, eating tortillas on our feet and not desserts on our knees.

CSO: 3010/292

## STATION REBUTS SPANISH BUSINESSMAN'S CRITICISM

PA042130 Managua Sistema Sandinista Television Network in Spanish 0200 GMT  
4 Nov 81

[Text] While a delegation of Spanish businessmen representing several of the largest industries of Spain visits Managua to discuss the sale of their products here, charges are made in Madrid about an alleged persecution campaign against Nicaraguan private businessmen.

According to the information from Madrid, the representative of the Spanish businessmen and member of the Administrative Council of the International Labor Organization [ILO], (Vicente Castellano Sabater), said that the imprisonment of four Nicaraguan businessmen who violated the emergency decree could be interpreted as the beginning of the last phase of the Sandinist revolution leading to the definite installation of Castroism in Nicaragua.

It is really incompatible for a personality like (Castellano Sabater) to make such a statement, particularly at a time when a group of his colleagues and fellow countrymen should be negotiating with a country that allegedly offers such alarming conditions to private enterprise.

(Castellano Sabater) also said his arrested Nicaraguan colleagues are incommunicado and that they may be in physical danger. For the sake of truth, it would be proper for the higher council of private enterprises, COSEP and the visiting Spanish businessmen to dispel his fears concerning the danger to the physical integrity of the four arrested businessmen. In any case, it would be best for Dr (Castellano Sabater) to worry about their moral integrity.

CSO: 3010/292

## UN MISSION MEMBERS RECEIVE DEATH THREATS

PA062022 Paris AFP in Spanish 1914 GMT 5 Nov 81

[Text] Managua, 5 Nov (AFP)--Jaime Balcazar, UN representative in Nicaragua, has received death threats because of his support of the Nicaraguan antimalaria campaign.

Daniel Ortega, coordinator of the government junta reported the threats. He said that the antimalaria campaign "has been sabotaged nationally and internationally by enemies of the Sandinist government.

Ortega said that Balcazar and other members of the local UN office had received telephone calls threatening them with death because the United Nations had given technical and financial support to the antimalaria campaign.

Among other things, Ortega reported delays in London of a shipment of medicine which was to have been distributed to the Nicaraguan people, and also the mysterious disappearance of a shipment from New York to Panama.

Ortega said, "The medicine just vanished into thin air. Nobody knows its whereabouts."

Ortega said that in order to turn the people against the treatment rumors are being spread that the drugs have negative effects on pregnant women and children. Ortega said, "The enemies of the revolution, those who are not interested in eradicating malaria or illiteracy, are waging this campaign."

The campaign which started yesterday will end tomorrow, Friday. It includes free medicine distributed throughout the country. There are 85,000 volunteer health workers going from house to house, to schools and worksites.

Malaria is an endemic disease in Nicaragua. Each year it claims 75,000 victims and losses amount to almost \$2 million.

CSO: 3010/292

## BRIEFS

LIBERAL INTERNATIONAL DELEGATION--Junta member Rafael Cordova Rivas today received a Liberal International delegation. Led by Canadian senator (Richard Stanbury), the political delegation, which arrived here yesterday is touring Latin America to become familiar with the prevailing situation in a number of countries. The group is particularly interested in learning about developments in El Salvador and in the rest of Central America. According to Senator (Stanbury), the Liberal International is a new international tendency which is neither at the extreme left nor the extreme right. According to him, liberals have begun working jointly with the socialist and the Social Christian internationals against dictatorial governments and on behalf of democracy. The group arrives here in Nicaragua at the invitation of Nicaragua's Independent Liberal Party [PLI]. The Liberal International, which has not yet made a decision in connection with the Salvadoran conflict, is collecting information during this tour in order to adopt a position. The liberal mission, which also includes French, Netherlands and Swiss politicians, will be received today by both the State Council and the FSLN National Directorate. [Text] [PA042232 Managua Radio Sandino in Spanish 1800 GMT 4 Nov 81]

REPLACING JAILED DELEGATES--The Nicaraguan Labor Coordination Organization, CSN, which comprises 80 percent of the Nicaraguan workers, will ask militants of the Communist Labor Action and Unity Federation [CAUS] to appoint new delegates to the CSN. This information was provided by CSN leader Lucio Jimenez. New CAUS militants must fill the openings left by Allan Zambrana and Roberto Moreno who are serving sentences after calling for a national strike. They are charged with violating the economic and social emergency law and the public order and security law. Lucio Jimenez said that the CSN hopes that the CAUS members will respond positively and participate, along with the other labor unions, in an effort to consolidate the unity of all the workers and to create a single labor federation. Lucio Jimenez criticized the position of the two jailed communist labor leaders characterizing it as a divisionist stand aimed at creating confusion amid the working class and having it struggle against its own interests. [Text] [PA031541 Managua Radio Sandino in Spanish 1200 GMT 3 Nov 81]

AMBASSADOR TO UK--Attorney Francisco D'Escoto Brockman was named Nicaraguan ambassador in London, England, beginning 1 September of this year, the Foreign Ministry announced yesterday. This diplomat was also named representative of our country to the International Coffee Organization, with headquarters in Great Britain. D'Escoto Brockman replaces Hernaldo Santos Berroteran in this post. The new Nicaraguan ambassador in Great Britain will also be the Nicaraguan Government's representative to the International Sugar Organization. [Text] [Managua LA PRENSA in Spanish 7 Oct 81 p 16] 9015

HONDURAN TOWN ATTACK--The Interior Ministry has discovered that former Somozist guardsmen in the Honduran-Nicaraguan border are planning to attack a town in Honduran territory. This was charged publicly tonight by commander of the revolution Luis Carrion Cruz at auditorium 12 of the Ruben Dario University Hall during an event within the Carlos Fonseca Amador ideological rally. In these maneuvers, the genocidal Somozists seek to provoke a confrontation between the Honduran and Nicaraguan governments. Carrion said the recent hijacking of the Sansa plane in Costa Rica is an example of what the Somozists are capable of. He said that the Central American peoples would be well advised to eliminate Somozists wherever they are, because they abuse the asylum that governments grant them. At Auditorium 12 of the Ruben Dario University Hall, where the FSLN directorate member revealed the Somozist provocations and plans, homage was paid to companeros (Casimiro Sotelo Montenegro), (Hugo Medina), (Edmundo Perez) and (Rodolfo Maya Ruiz) on the 14th anniversary of their patriotic immolation during an attack by a national guard patrol against a house in the Monseñor Lezcano District. [Text] [PA052155 Managua Radio Sandino in Spanish 0300 GMT 5 Nov 81]

MORATORIUM ON POLITICKING--Outstanding members of the Democratic Conservative Party last night voiced opposition to the political moratorium suggested by Alfonso Robelo in order to achieve the adequate climate for reconstruction. Robelo maintains that during the political moratorium, all parties including the FSLN should abstain from campaigning and dedicate their efforts only to the nation's reconstruction. Dr Adolfo Calero Portocarrero, Dr Clemente Guido and others have pointed out that there is no sense to this and that, instead of encouraging political pluralism, it would favor the interests of the FSLN. These democratic conservatives stressed that we already have enough limitations to ask the government to implement yet another. Apparently, this idea would not be successful in the opinion of several democratic political parties. The conservatives continue to uphold their position. [Text] [PA071747 Managua Radio Corporacion in Spanish 1200 GMT 5 Nov 81]

MINES REOPENED--Some 300 ounces of gold and 450 of silver valued at over \$130,000, as well as the creation of almost 200 new jobs, will be the result of the reopening of six mines operating starting today. These mines were abandoned in 1978 by U.S. companies which believed they had been exhausted, but new assays report the existence of recoverable precious metal. The Mines Ministry has invested some \$10 million in reopening the mines. [PA040032 Managua Radio Sandino in Spanish 0300 GMT 3 Nov 81 PA]

CORINTO PORT PROJECT--The dredging of Corinto port to begin on 15 November will cost some \$4 million. Port director Cesar Delgadillo said that a Netherlands company, expert on the fragmentation of submarine rocks will arrive for this purpose. The dredging will give the port a 45-foot depth, allowing its use by ships of up to 60,000 tons. The project is being financed by Netherlands Government through a long-range low-interest loan to the Nicaraguan Government. The operation should be completed in 90 days. [Managua Radio Sandino in Spanish 0300 GMT 3 Nov 81 PA]

COOPERATION AGREEMENT WITH SPAIN--Nicaragua and Spain signed a 3-year technical cooperation agreement yesterday in extension of the one they signed in 1974. Under this agreement, four Spanish technicians will come to Nicaragua to improve technical education here. [Managua Radio Sandino in Spanish 1200 GMT 6 Nov 81 PA]

AGRARIAN ATTORNEY'S OFFICE--The creation of the National Agrarian Attorney's Office [Procuraduria Nacional Agraria] has been announced. Its main purpose will be to gather and submit evidence in support of land confiscations for agrarian reform purposes. (Ligia Molina) has been appointed national agrarian attorney. [Managua Radio Sandino in Spanish 1200 GMT 7 Nov 81 PA]

CSO: 3010/292

## GIANELLI'S INTERPRETATION OF CANAL TREATY SCORED

## Interpretation of Treaty Scored

PA130157 Panama City MATUTINO in Spanish 12 Nov 81 p 4A

[Article by Luis Restrepo Rosas: "Gianelli's Visit"]

[Text] William R. Gianelli, U.S. under secretary of the army, is the president of the Panama Canal Commission's Board of Directors, imposed by the majority vote of the U.S. representatives on that board. The Panamanian representatives voted for Edwin Fabrega, but were defeated by five votes to four.

Mr Gianelli arrived in Panama on 6 November, meeting with President Royo on the same morning and delivering a speech at the American Chamber of Commerce that evening. The following day he returned to his own country, which shows that these two events were the only reason for his trip.

During his meeting with President Royo, Mr Gianelli affirmed that the Reagan administration will honor the Torrijos-Carter treaty, but what he did not say is that Reagan will honor the treaty only in conformity with the U.S. unilateral interpretation of the letter of the treaties.

In his address to the American Chamber of Commerce, he was more specific on the U.S. interpretation of compliance with the treaties. Following are some examples taken from his speech:

1. "The new treaty with Panama was not accepted by the U.S. Senate until that body and the U.S. people were assured that the pact would not involve additional costs to the U.S. taxpayers for the operation and maintenance of the canal..."

Mr Gianelli ignores Panama's position, which is that the United States must supply the funds required to guarantee the smooth transit of vessels through the canal, without limiting this obligation to the incomes derived from tolls. Paragraph 1 of Article III of the treaty establishes that the United States must "provide whatever is necessary for the smooth transit of vessels through the canal."

2. "It has been criticized, for example, that the commission assumes the costs of an anticipated retirement program, which is established in the treaty."

Panama's position is that the retirement equity accumulated during the period in which the employees worked for the extinct Panama Canal Company and the Panama Canal Government are not chargeable to the Panama Canal Commission's costs of operation. On the other hand, we ask Mr Gianelli where is it established in the treaty that an anticipated retirement must be paid? That was introduced in the Murphy Law, which Panama has not accepted, as it considers it illegal. The same thing applies to the interests cost and the public services cost that the United States offers to its colony in Panama, which have been objected to, since they are not related to the handling, operation and maintenance of the canal.

3. "We have been told that our salaries must not be linked to the supply and demand factors reflected in the local labor market, but that we must increase them arbitrarily, recovering the difference from the canal customers through toll increases."

Panama's objection refers to the dual wage scale, with huge differences among persons doing similar work at the same job site. We have objected to the return to the "gold roll" and "silver roll" system. We have objected to the discriminatory system in effect since 1 October 1979, which, if not corrected, will soon cause the freezing of activities in the canal, because neither the Panama Government, the Panamanian people nor the unions will accept such a reversion and arbitrariness.

4. "The canal operation by the United States in accordance with U.S. laws and regulations is another matter that has been misinterpreted. This issue, however, is specifically mentioned in Article III of the Panama Canal treaty, which, in its pertinent part, establishes that the United States shall carry out its responsibilities 'in accordance with the terms of the treaty and the provisions of U.S. laws.' Therefore, it is the treaty itself, and not the often criticized U.S. law, that puts it into effect, that establishes the existing legal structure for the enterprise."

What Mr Gianelli fails to mention is that paragraph 2 of Article I of the treaty grants only administrative rights to the United States, "to regulate transit and to manage, operate, maintain, improve, protect and defend the canal," and that paragraph 1 of Article IX indicates that "...the laws of Panama shall be applied in the areas placed at the disposal of the United States for its use in accordance with the treaty."

These examples give us a clear view of the distance between us in interpretation of the treaty and, worse yet, of the extreme position adopted by the Reagan administration, which seeks to return to the concept of the canal zone government and the existence of a government within a government, flaws of the past that were eradicated by the treaty.

Panama cannot accept the thesis exposed by Gianelli and the government must make this clear to President Reagan's government. Mr Gianelli's speech must be answered strongly, as silence would imply consent.

### Workers Criticize Gianelli

PA160000 Panama City LA ESTRELLA DE PANAMA in Spanish 15 Nov 81 p B-20

[Text] The Panama Canal Workers Union, local 900, license No 42, said that remarks by William R. Gianelli, assistant secretary of the army (civil works) and president of the Panama Canal Commission board of directors, have not changed the opinion of those who complain about the many violations of the 1977 Panama Canal treaty.

What else could he say? He only confirmed his government's position and justified its violations to Panama's sovereignty, through U.S. officials and federal agencies and based on the nuclear power big stick policy.

If Panama could wield a big stick policy as the nuclear power is doing, the treaty would have been implemented in a different way.

Had Gianelli said anything different, he would have had to face a situation similar to that of David A. Stockman, director of the Office of Management and Budget, who was severely reprimanded by President Ronald W. Reagan, because he told the truth: that Reagan's economic plan was a total failure. Possibly for saying this he will be put in the street to join the long line of unemployed resulting from Reagan's economic plan.

Gianelli spoke, but he did not say anything. All he did was admit that his government is indeed violating the treaty, stealing 4 billion balboas from the workers' pockets and violating Panama's sovereignty and political jurisdiction through its federal agencies in Panama which neither respect Panama's labor laws nor the positions that Panamanian officials have taken with regard to these violations.

Quo vadis, Gianelli?

CSO: 3010/295

## DEPUTY CANAL ADMINISTRATOR REFERS TO TREATIES

PA121636 Panama City Televisora Nacional in Spanish 1130 GMT 12 Nov 81

[Text] Important statements were made last night at the law school of the University of Panama in an event in which Fernando Manfredo, deputy administrator of the Panama Canal, referred to the Torrijos-Carter treaties and their violations.

Manfredo said that the 1977 Panama Canal treaty has clauses which no Panamanians like. However, this treaty places us in a better position and situation to achieve the national objectives on the canal. In this sense, the colonial enclave is rapidly disappearing since two-thirds of the area reverted back to Panama on 1 October 1979. The towns of Rainbow City, Paraiso and Pedro Miguel have been incorporated into national life.

During the past 2 years no Panamanian, Manfredo said, has had to suffer the humiliation of appearing in Panama before a foreign court, of being tried by a foreign judge with foreign laws or even being imprisoned in a foreign jail. The Panamanian police patrol the canal areas and guarantee peace and tranquillity and the protection of property.

Manfredo also said that 20 percent of the canal positions held by U.S. citizens as of 1 October 1979 are now held by Panamanians.

We have differences regarding the meaning of clauses in the treaty. These differences have been the result of the Murphy Law which is the U.S. interpretation of the treaty. I am concerned, he stressed, that neither the university's law school nor the National Bar Association have undertaken the legal studies to find the best Panamanian interpretation of the treaty. There is a need for Panamanian studies on the canal in order to establish what it is that we should receive in the year 2000 and what Panama must do starting on that date. Another task is the establishment of a program for the physical, economic, social and political integration of all that has and will revert to Panama so that it will receive maximum utilization. A Panamanian position on a sea level canal must also be established.

Manfredo said that Panama is effectively participating in the administration of the canal, guaranteeing that in the establishment of policies and in decision making, the interests of Panama and the Panamanians are duly taken into account. Up to now the canal has been an emotional subject for the Panamanians. The treaty forces us to see the canal from the technical, administrative and financial viewpoint, without forgetting to constantly watch over the fulfillment of the treaty during the transition period, Manfredo added during his statement at the law school last night.

CSO: 3010/295

## BRIEFS

AMBASSADOR TO PERU--Alfredo Arango Henriquez, Panama's new ambassador to Peru, presented his credentials to President Belaunde Terry. [PA152205 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Nov 81 p C-1 PA]

NEW NEWS SERVICE--The Servicio Americano de Noticias [SAN] has appointed Panamanian journalist Julio Ortega C its correspondent and representative for Central America and Panama. SAN will begin operations shortly and will be available to all media in Panama and Central America. [PA141500 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Nov 81 p 28 PA]

INTELLECTUALS COMMITTEE--Rogelio Sinan, Panamanian writer and poet, has been elected president of the Panamanian Intellectuals Committee for the Sovereignty of the Peoples of America. The committee has 50 members, including Romulo Escobar Bethancourt, Luis Castilla Bravo, Diogenes Cedeno Cenci, Nils Castro, Joaquin Beleno, Jose Franco, Euclides Fuentes Arroyo, Marcos Ganadasegui, Jilma Noriega de Jurado, Griselda Lopez, Jose de Jesus Martinez, Aixa de Munoz, Alvaro Menendez Franco, Manuel Orestes Nieto, Carlos Perez Herrera, Ricaurte Soler, Moises Torrijos Herrera and Manuel F. Zarate. [Panama City CRITICA in Spanish 10 Nov 81 p 31 PA]

NEW ENGLISH LANGUAGE NEWSPAPER--A new English language weekly newspaper THE SUNDAY REPUBLIC will go on sale 21 November. The 32-page newspaper with an initial circulation of 10,000 copies, will be published by the Editora Renovacion. J. J. Harrison has been appointed the paper's director. THE SUNDAY REPUBLIC will replace the daily English section in the newspaper LA REPUBLICA. [PA131308 Panama City Circuito RPC Television in Spanish 1715 GMT 12 Nov 81 PA]

CSO: 3010/295

## INDUSTRY MINISTER DENIES ECONOMIC CRISIS

PY051245 Asuncion HOY in Spanish 30 Oct 81 p 12

[Text] Industry and Commerce Minister Delfin Ugarte Centurion discussed various aspects of the national economy during a lecture at the Paraguayan-American Chamber of Commerce yesterday emphasizing that there is no crisis or economic recession in Paraguay.

Before a selective audience representing several companies the minister said that "there is no indication of recession or economic crisis." Ugarte said that an economic recession means that the country would have to experience paralysis of private and public investments, massive unemployment and a noticeable decrease in production, something which is not taking place. He also said that the continuity of expansion and strengthening of the national economy will be insured through the programs to be implemented in this decade.

He added: "Let us recall that during the last decade soy bean and cotton production increased 1,500 and 600 percent respectively and that the rate of unemployment is practically nonexistent, less than 2 percent."

With regard to the problems affecting many national companies, Ugarte Centurion said: "The fact that some industrial plants are having difficulties does not mean that the entire national economy is paralyzed or that there is massive unemployment."

The minister said: "Therefore, I categorically and emphatically would like to tell you and the public that our country is not in a state of economic crisis or recession; these are very serious connotations and also inappropriate for the events taking place and which are being solved with concrete measures. Only those newspapers which are normally contrary to the national interests or pessimistic can think of alarming the population with those connotations thus running the risk of discouraging investments and savings and threatening the country's monetary, financial and economic stability. We, therefore, make a call for a study of the important economic topics, both their evolution and problems, with the care they deserve since this is in the interest of everyone."

CSO: 3010/282

COUNTRY SECTION

ST VINCENT

BRIEFS

UPM LEADER RETURNS FROM N. KOREA--Kingston, St Vincent, 6 Nov (CANA)--The youth arm of the United People's Movement (UPM) in St Vincent said today it supported recent calls for the reunification of North and South Korea. General Secretary Leroy Thomas made the statement following his return from North Korea where he was among delegates from throughout the region attending the recently concluded seventh congress of the North Korean League of Social Working Youth. Mr Thomas criticized what he termed the United States' continued colonization of South Korea "an affront to humanity." "I think the people of St Vincent and the Grenadines need to know more about the strategies implemented by the U.S. Government to divide North and South Korea." Mr Thomas also said that "Vincentians are fortunate that St Vincent and the Grenadines are united as one." [Text] [FL061700 Bridgetown CANA in English 1430 GMT 6 Nov 81]

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## BRIEFS

TOURISM AGREEMENT WITH ARGENTINA--Montevideo, 4 Nov (TELAM)--The executive branch last night approved a tourism agreement with Argentina concerning the free passage of automobiles and the validity of driver's licenses in the two countries. [PY160225 Buenos Aires TELAM in Spanish 1739 GMT 4 Nov 81]

UNEMPLOYMENT FIGURES--Montevideo, 6 Nov (AFP)--Planning, Coordination and Information Secretary Gen Pedro Aranco reported today that the unemployment index reached 7.02 percent in the third quarter of 1981, as against 5.8 percent during the first months of the year. [PY160225 Paris AFP in Spanish 1248 GMT 6 Nov 81]

COST OF LIVING--Montevideo, 6 Nov (LATIN)--The General Statistics and Census Bureau today reported that the cost of living rose by 2.04 in October, thus setting the inflation rate for the first 10 months of 1981 at 27.27 percent. Figures for the same period in 1980 were 4.11 percent and 39.72 percent respectively. [PY160225 Buenos Aires LATIN in Spanish 1550 GMT 6 Nov 81]

TRADE MISSIONS--A Taiwanese trade mission arrived yesterday with the purpose of holding meetings with Uruguayan importers and exporters. It has also been reported that a mission from the Manchester Chamber of Industry and Commerce will arrive in Montevideo tomorrow. [PY160225 Montevideo EL DIA in Spanish 6 Nov 81 p 8]

EXCHANGE WITH TAIWAN--Taiwanese Ambassador to Uruguay Konsin C. Shah reported yesterday that his country is negotiating the purchase of 50,000 tons of Uruguayan wheat. He also said that in 1980 Taiwanese exports to Uruguay amounted to \$12 million while Uruguayan exports to Taiwan reached \$6 million. [PY160225 Montevideo EL DIA in Spanish 30 Oct 81 p 8]

AIR-SPACE COOPERATION AGREEMENT--Montevideo, 12 Nov (TELAM)--The government yesterday approved the draft of the agreement on air-space cooperation with Argentina, which falls under the scientific and technological cooperation agreement signed by Uruguay and Argentina on 30 June 1977. [PY160225 Buenos Aires TELAM in Spanish 1823 GMT 12 Nov 81]

STATUTE DELAYED--Reliable official spokesmen have told EL DIA that the statute of political parties will be approved in the first months of 1982 and not in the next few months as reported. They added that the laws which will regulate the activity of political parties must be prepared by a special commission made up by the Armed Forces Political Affairs Commission (COMASPO) and representatives of the political parties and then submitted to the Council of State. The same sources indicated that "it is necessary to take short but firm and secured steps to avoid the type of hastiness that can lead to nowhere." Final studies are being made to decide how many delegates of the political parties will take part in the statute project, although it is believed that it will be a reduced delegation with the purpose of "concentrating as much work as possible to avoid being distracted, a situation which may be created by a large number of participants." There is the possibility that a system of rotation of political party members who will take part in the preparation of the law may be approved. The spokesmen added: "The work will be done under the control of COMASPO, that is, this organization will clearly determine the rules of the game." [Text] [PY051946 Montevideo EL DIA in Spanish 22 Oct 81 p 1]

NEW SWEDISH AMBASSADOR--The new Swedish ambassador to Uruguay, Lars Karlstrom, presented his credentials to Uruguayan President Gregorio Alvarez during a ceremony held today at Government House. [PA111913 Montevideo Radio El Espectador Network in Spanish 1600 GMT 11 Nov 81 PY]

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